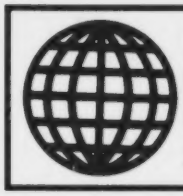

Daily Report

Latin America

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Latin America

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Foreign Representatives Arrive for OAS Assembly

PY0606011890

[Editorial Report] Asuncion ABC COLOR in Spanish on 2 June, on page 5, carries a 300-word report on the arrival in Asuncion of Costa Rican Foreign Minister Bernd Niehaus and Bahamian Foreign Minister Charles Carter to attend the 20th OAS General Assembly.

ABC COLOR on 3 June, on page 3, carries a 200-word report on the arrival of Brazilian Ambassador to the OAS Bernardo Pericas and a 300-word report on the arrival of Colombian Foreign Minister Julio Londono Paredes. In his arrival statement Londono refers to the Colombian Government's struggle against drug trafficking, stating that "the time has come" for the cooperation given to his country to become "more than just moral support."

Asuncion EL DIARIO in Spanish on 3 June, on page 3 of a special supplement, carries a 350-word report on the arrival in Asuncion of IDB President Enrique Iglesias, who has also come to participate in the OAS General Assembly.

Foreign Ministers Meet Before OAS Meeting

PY0506184290 Asuncion EL DIARIO in Spanish 4 Jun 90 Special Section p 12

[Excerpt] The foreign ministers who will participate in the 20th OAS assembly yesterday held their first meeting, although it was informal. As the host country, Paraguay chaired the meeting. The relationship between Latin America and the United States was the main issue of discussion. It was decided to draw up declaration drafts on the assembly's most important points.

The role of Latin America over the next 100 years in relation to the powerful economic groups, especially the United States, was the main issue of a discussion held yesterday by the foreign ministers of the OAS member countries.

For nearly two hours, under the chairmanship of Paraguayan Foreign Minister Dr. Luis Maria Argana, the foreign ministers met to present their positions on some of the important points included in the agenda of the 20th OAS assembly that will begin today in our country.

According to the representatives of the Paraguayan Foreign Ministry, 10 basic points were discussed during the informal meeting.

The relationship between Latin America and the industrialized nations, such as the United States, was among the issues discussed. Rather than proposing solutions during their first meeting, the foreign ministers limited themselves to questioning our continent's position at this moment and the role that our continent intends to play over the next 100 years.

Each foreign minister expressed the position of his respective country on the issues that affect and concern them. Thus, the problem of drug trafficking, human rights, and the poverty of many Latin American nations were addressed.

Another basic issue that was addressed, one that very specially affects a large number of the OAS member countries, involves the foreign debt of Third-World countries with the great powers of the north.

It was decided to draw up declaration drafts on the important issues of conflict—drafts that will be discussed during the assembly's plenary meetings to reach a common stand and to seek solutions.

The issues that will be contained in a presidential declaration the heads of state of the neighboring countries will sign were also reviewed. The presidents will attend the inaugural session today.

It was decided to draw up a foreign ministers' declaration that will include the most important points to be discussed during the assembly. During yesterday's meeting, 26 delegates spoke. [passage omitted]

Menem Meets With U.S. Trade Representative

PY0506134290 Buenos Aires TELAM in Spanish 0319 GMT 5 Jun 90

[Text] Asuncion, 4 Jun (TELAM-EFE)—Argentine President Carlos Menem met here today with U.S. Trade Representative Carla Hills to discuss the possibility of promoting bilateral trade relations.

During a news conference Menem said that this meeting was "linked to development and trade matters, particularly in the area of agriculture." He added that they encountered "conflictive positions" regarding negotiations at the GATT roundtable in Uruguay.

Hills will travel to Buenos Aires this week to continue talks with the Argentine Government. According to an official communique, Menem and Hills analyzed bilateral relations and "exchanged ideas on the agenda of the visit of U.S. President Bush" to the southern cone in September.

Argentine sources reported that Menem and Hills stressed "the importance of the reciprocity of the United States for the success of the Argentine economic reform and trade opening," as well as that of the markets of other industrialized countries for the access of Argentine products.

The communique added that Menem and Hills discussed the possibility of "finding nontraditional mechanisms to promote bilateral trade."

Also attending the meeting were U.S. Deputy Secretary of State Lawrence Eagleburger, U.S. Ambassador to the OAS Luigi Einaudi, Argentine Foreign Minister Domingo Cavallo, Argentine Ambassador to the OAS Juan Pablo Lohle, and Under Secretary for Latin American Affairs Raul Carignano, among others.

20th OAS Assembly Opening Ceremony Addresses

By Paraguay's Rodriguez

PY0506124890 Asuncion Red Nacional de Television in Spanish 1401 GMT 4 Jun 90

[Speech by Paraguayan President Andres Rodriguez at the opening ceremony of the 20th OAS General Assembly from the Central Bank Convention Center in Asuncion—live]

[Text] Messrs. Presidents of Argentina, Uruguay, Brazil, Bolivia, and Suriname; Messrs. Foreign Ministers; Madam personal representative of the President of the United States; Messrs. delegates; ladies and gentlemen:

Asuncion is witnessing an experience which can only be compared with the best moments of its history. The traditional Paraguayan hospitality will show its best qualities to the highly qualified representatives of all the sister republics of our continent who are here in Paraguay for the 20th OAS General Assembly, which this year coincides with the 100th anniversary of the creation of the inter-American system.

We are rejoicing because 100 years after the creation of the inter-American system, Paraguay is fulfilling for the first time an old desire: to host the Assembly at this important centennial. Once again the Americas have gathered around a hope because they are working for a better future and waking up to reality, always with the hope of a better future. This year we celebrate the centennial of the creation of what was called the International American Office. This organization had the immediate task of compiling information on trade among our countries. But as always happens, pragmatism gave way to something more concrete called the Pan-American Union.

This is how the system became a political organization. This is the organization that then led to the recent creation of the OAS, and this is the system which, considering its human limitations, offers us the hope of fulfilling our dreams. The long and sometimes hard road that began in 1890 has made a stopover in Asuncion not only to regain its strength but also to celebrate its centennial with the relaxation of relations, affection, and the happiness of a people who decided to walk on the solid ground of democracy. I would like to think that the illustrious presidents who are here to attend the 20th OAS General Assembly have a clear idea that in the Americas we have the imperative duty of reviewing where we are, and especially to project where we want to go.

I would also like to think that the presidents, by their presence, want to make a very noble gesture: to show here and before the world their solidarity with the democratization process of the Paraguayan people who have decided to completely do away with authoritarianism.

I would like to interpret the feelings of my people by saying that this solidarity is not merely a commitment, it is also an encouragement. It commits us to not change the path we have taken and to continue toward our goal of finally institutionalizing democracy.

I can assure you that the Paraguayan people want to live in democracy. They do not want to return to the painful days of the dictatorship and the terrible sufferings that result from absolute power.

We Paraguayans want to turn our fatherland into fertile ground for freedom, in which the people will be the true proponents of their future. We believe that democracy in Paraguay is an irreversible process. There is no room for authoritarianism in Paraguay now or in the future.

As we progress, we increasingly appreciate the value of institutions. People and societies cannot live without organizations that rationally administrate their relationships, interests, and ideals. It is inconceivable today to think of a community of nations without institutions that organize and safeguard their relationships and conflicts; these institutions are necessary.

At difficult times like these there are solid reasons to prompt us to make the organization a positive tool aimed at building a renewed socioeconomic order that will allow the fulfillment of human beings and of justice.

As the world enters a phase of rapid change that seems to contribute to overcoming confrontations between the so-called superpowers, Latin America faces very complex situations with a structural imbalance that must also be corrected. Latin America is still plagued by unfairness and discrimination, basically in terms of development and relationship, between the northern and southern hemisphere.

The problems become worse in the southern hemisphere. We suffer the consequences of an international economic and financial order in which decisions are usually reached unilaterally without our participation. We are thus subordinated to decisions made in other hemispheres, while our people demand a more just distribution of wealth.

Stagnation and even backwardness also separate us from the extraordinary industrial-technological and scientific development of the modern world. Backwardness, as reflected in increasingly serious social conflicts, makes it even more difficult to close the gap that separates us from the developed world.

Nevertheless, nothing is impossible in history. Overcoming the problems that currently hinder the development of our countries is always possible. History has taught us that nothing is definite in the life of nations. Events may reach a turning point in the future and we may begin to play a more important role in the concert of nations. But this will not happen just by chance, and we must bear that in mind. Events and changes have causes. We must be aware that our desire for progress will be the

cause of the historic change to which we legitimately aspire. Nobody else will make the efforts necessary for us to change the current situation.

I want to stress this point; we must fully understand that we, and nobody else, must carry out these changes.

It has repeatedly been stated that the Latin American countries must integrate themselves in order to make progress. It has been stated that integration is no longer a desire but a need. But we have still not reached the stage in which we give our continent priority treatment, not with words, but with deeds.

On the eve of a new century, we find ourselves face to face with the unavoidable need to go beyond rhetoric and to try to achieve the reality that is already being experienced today by the European Community—an effective economic and political integration.

We have already made a tremendous effort to achieve that objective, but taking an overall look at our situation today, we can say that there is still much to be done.

There is a need for change here in the south and in the north. If that ideal integration is not possible, we must at least try, for the time being, to not be dissociated. The voices of our forefathers call for us to be united. It is also a challenge to safeguard our matchless culture so it may hold the privileged place it deserves in these times.

I would like to add that to achieve integration we need to achieve political agreement. The historical experience of our times has made politics the center of gravity for all changes. East Europe is teaching us this lesson.

We have achieved positive progress within the framework of our organization. The personal dialogue among those responsible for political leadership, and especially among the chiefs of state, must become a continuous political mechanism. For this reason, at this 20th OAS Assembly, we should lay a basis for the creation of a permanent council of presidents.

By doing this we will be able to establish the appropriate level at which we can coordinate dialogue and resolutions to promote, beginning in the political sector, economic, social, and cultural integration among our peoples.

I believe the time is right for this integration because a common ideal is paving the way toward such a goal. The time is right because the ideal democracy has been consolidated in America. Indeed, we are participating in a process of political agreement and of a general feeling toward a free, egalitarian understanding among all peoples of America.

Democracy is no longer the postponed dream of so many men who gave their lives for the desire to live in freedom. Democracy is no longer a forbidden word or an unattainable goal.

We no longer have political excuses to continue to postpone the unity of our nations, the unavoidable cooperation, and the clear understanding among our peoples. Democracy is a way of life and an opening that suggests unity, cooperation, and integration, and its essential guidelines are freedom, social justice, and equality.

By walking on the broad path of democracy we cannot make mistakes. With that assurance we can build an America that will be great because of its unity, that will be loved by its people because it is free and respected in the world, and because it knew how to finally steer the ship toward the goal of brotherhood and common well-being.

Nevertheless, these goals are today running up against an obstacle that does not respect frontiers, ideals, rights, or mankind itself. I am referring specifically to the problem of drug trafficking, which is jeopardizing our nations.

The struggle against drug trafficking, which has expanded its actions and turned into narcoterrorism, must unite us all in a world crusade to eradicate this scourge that threatens all mankind, especially our youth.

I would therefore like to call on the 20th OAS General Assembly to seek an adequate legal instrument to repress and punish drug trafficking and its consequences at the continental level. This crime does not recognize borders; the struggle against drugs is not obligated to recognize them either.

For a few decades there has been talk about the people's right to development. This right is invoked and recognized everywhere. John Paul II said that development is the name of peace, but there are factors and conditions that conspire against our countries' right to development. One of them is the problem of the foreign debt, which has a negative effect on the efforts of the majority of the region's countries by condemning them to underdevelopment.

We support the legitimate demands for the renegotiation of the foreign debt in terms favoring the right and just aspirations for the development of our people. The payments of interest and capital will mortgage our future, and our democracies will experience the unpredictable consequences of social frustrations.

There are common and universal moral duties in an interdependent world. The creditor countries share with the debtor countries the moral duty to lift the heavy and burdensome external debts that are obstructing their economic growth and recovery. There can be no talk of equity and ethics when the countries that can provide help look on with indifference while the countries they can help run into problems.

I would also like to refer to the River Plate Basin project that we are currently encouraging. This waterway project will provide our countries with the means and facilities to transport their goods to the high seas for trade. We

trust that we will find the necessary support and cooperation within the framework of the financial and technical organizations of the inter-American system to fulfill this project as soon as possible. The waterway project is the most challenging element for integration, and it will serve as the most immediate proof of our ability to fulfill this goal.

Democracy will have no meaning if human rights are violated. It can be said that the most important contribution of the political system that has been in power in Paraguay since 3 February 1989 is the installation of a political system that respects and guarantees human rights.

Furthermore, now that the country is fully enforcing freedom of expression, freedom of the press, freedom to meet, and the right to free political and union organization, we are now concerned with extending human rights into the social dimension. We are concerned because we believe that in Latin America we must conciliate freedom with social justice.

Messrs. Presidents, Messrs. Foreign Ministers, Madam representative of the President of the United States, delegates, I have the honor of giving you a warm welcome to Asuncion, the geographical center of South America. I can assure you that the Paraguayan people and I thank you for your high-level and encouraging presence as we face the challenge of writing new pages in the history of our future.

These pages will be written under democracy, because the Paraguayan people want to be participants in the construction of a more just, free, tolerant, and humane society.

By Brazil's Collor

PY0506231590 Asuncion Red Nacional de Television in Spanish 1524 GMT 4 Jun 90

[Speech by Brazilian President Fernando Collor de Mello, speaking in Portuguese, at the opening ceremony of the 20th OAS General Assembly from the Central Bank Convention Center in Asuncion—live]

[Excerpts] Mr. President Andres Rodriguez, Messrs. Presidents, Messrs. Ministers, Mr. President of the Assembly, Mr. Secretary General of the OAS, Madam representative of the U.S. Government, ladies and gentlemen delegates:

I want first to acknowledge the generous hospitality with which we have been honored in this country and the dedication and diligence of its authorities, headed by his excellency Mr. President Andres Rodriguez, in organizing this event. I congratulate Foreign Minister Luis Maria Argana for his most appropriate election as president of the 20th OAS General Assembly. We are sure that his election to preside over our work will contribute in an outstanding manner to the success of this assembly.

It is a pleasant coincidence to celebrate the first centennial of the inter-American system in this stately and old city of Our Lady Saint Mary of Asuncion, also known as the Mother of Cities and the Birthplace of American Freedom. Here sprouted ideas that were before their time; here flourished a civilization that has its own place in the history of the Americas because of the values with which it was founded. It is also significant that we commemorate this historical moment in the capital of the sister Republic of Paraguay, a country that well reflects the new face and aspirations of the Americas: the face of freedom, democracy, and full enforcement of human rights and aspirations for justice and development.

Mr. President, Messrs. Presidents, ladies and gentlemen delegates, 100 years ago the countries of this hemisphere set down the bases for a relationship that we hoped would lead to peace and prosperity for our peoples. These 100 years have passed, and we have still not fully realized that ideal world, although we have defined its contours in the constitutional charter of the OAS. It was not a easy task, because a permanent peace cannot be built except on a foundation of solid rules of good coexistence, respect for sovereignty, respect for the principle of nonintervention, respect for self-determination, adherence to the principle of peaceful resolutions of controversies, strict compliance with treaties, and respect for international law.

These principles existed before our charter was written; they were invoked at the creation of the inter-American system, and over the years they took root as universal norms. These principles have been inspired by the natural inclination of this continent's peoples to seek dialogue and understanding, and they reflect the most notable traits of our personality and our American sentiments.

It is significant that after nearly half a century has passed since we enshrined those principles in our Charter, we have done nothing but preserve and strengthen them in the two updated protocols we have approved. When our countries temporarily departed from these principles, disappointment and regression resulted. We cannot abandon or revise these principles under the false belief that they are no longer suitable for the historical moment. Rather, we believe that these principles still stand; should they be abandoned, we will return to the rough and violent times when the law of the jungle prevailed. If our greatest success in these 100 years was to have designed fundamental rules of coexistence, our greatest challenge in the approaching century will be to fully realize the ideal of peace and prosperity, which was the first and foremost intention of the inter-American system.

Although we were not able to bring that ideal to full realization in the first 100 years, we must not give up now. On the contrary, recent events demonstrate that when we manage to bring together the real world in which we live and the ideal world of which we dream in

our Charter, we can make long strides on the road of hemispheric coexistence. In fact, just as our Charter prescribes, representative democracy is taking hold throughout nearly the entire continent in an unprecedented manner.

In the short interval between this and the previous general assembly, tens of millions of Brazilians went to the ballot boxes to freely elect their rulers in an extraordinary display of civic maturity and spirit. That significant event for the Brazilian nation is even more meaningful as one considers that similar processes have occurred in other brotherly countries on this continent during the same interval. Under the banner of democracy, we have made noticeable progress in the protection of human rights; taken significant steps toward lasting peace in Central America; and intensified solitary and concerted action against drug trafficking and the illicit consumption of drugs. These achievements cannot be disassociated from the role played by the OAS, whether through its special organs or through the valuable mediation of Secretary General Joao Clemente Baena Soares, to whom we express our recognition above all for his tireless efforts for a peaceful solution to the grave problems in the Central American region.

The recent example of Nicaragua should be noted. The OAS gave a prompt, solid, and effective response there that was in line with our Charter guidelines.

Mr. President, Mr. Secretary General, Messrs. Presidents, ladies and gentlemen delegates, we are living at a unique moment in the history of the hemisphere, a moment of reconciliation and renewed hope in its peaceful destiny. There can be no other attitude for nations characterized by diversity but used to coexistence despite their different origins, cultures, and religions. Nevertheless, we must stay alert so our common effort is not undermined by ethnic intolerance or systematic use of terrorism by groups intent on imposing their will or groups that ignore our natural inclination to accept differences and understand one another.

Although peace seems to be within our grasp, there is still a long way to go to make the causes of conflict disappear for good. I recall the words I spoke, as my country's president-elect, to this organization's permanent council last January. The ideals of peace, freedom, and justice cannot be partially realized. No! There cannot be true peace where disease and hunger are rampant. Freedom cannot be spoken of where one is trying just to survive. Justice cannot be preached where backwardness and poverty live with prosperity and waste.

Therefore, in the second centennial of the existence of the OAS, cooperation toward development and social justice shall be the primary goal of continental solidarity. We must eradicate the roots of tension and conflict. Promoting economic development while preserving the environment is not a simple endeavor. In 100 years we have made little progress. So it is fair that we make this kind of economic development a priority on our agenda. There will be many challenges to face, the most urgent being the problem of the foreign debt, which must be revised. We can no longer sacrifice our economic growth to continue to unfairly transfer our essential resources. We have lost a decade. We have selected painful options to resume development, modernize our economies, and restore the soundness of our finances. We express our sincere desire to have frank, open, and honest dialogue, and we expect to receive a positive and sensible answer to our just aspirations and pressing needs. We must mobilize efforts to reach, through negotiations, a constructive outcome as soon as possible.

We cannot speak of the future or of development without referring to the issue of ecology. This is not a problem only in this hemisphere. Its dimensions embrace the destiny of mankind as a whole, and its origins can be traced to a model of growth that tolerates waste and leads to the extermination of life in the planet. Our challenge in this area is two-pronged: We must reverse the processes that are detrimental to the world's environment, including the damage caused to the environment by waste, and on the other hand we must reconcile development with preserving the environment. This is a current issue that must be treated from a broad and balanced perspective, without recrimination, so that a true and intelligent path can be found. [passage omitted]

The impressive changes that are taking place on the international stage force us to consider the future of the inter-American system in light of its extrahemispheric relations. The reduction of East-West tension, the processes of democratic affirmation under way in East Europe, and the trend toward the formation of large economic blocs are ushering in a new era in international relations, an era we firmly hope will be characterized by peace and development with social justice. [passage omitted]

This is the message of the Brazilian Government at this historical moment. I ask your excellencies to convey it to the brotherly peoples of the Americas. Thank you very much. [applause]

By Uruguay's Lacalle

PY0506150690 Asuncion Red Nacional de Television in Spanish 1459 GMT 4 Jun 90

[Speech by Uruguayan President Luis Alberto Lacalle Herrera at the opening ceremony of the 20th OAS General Assembly at the Central Bank Convention Center in Asuncion—live]

[Excerpts] Mr. President of Paraguay, Messrs. Presidents, representative of the U.S. President, Mr. President of the General Assembly, OAS Secretary General, Messrs. delegates: [passage omitted]

Paraguay brought Spain and the Guarani race together to form the miracle that will soon complete 500 years: the discovery of the American continent by the Spaniards.

It is in Paraguay, more than anywhere else, that we must raise our voices to advocate the principle of nonintervention as our main international issue.

This must not—and I am sure the delegates will agree—be another hollow commemoration, the mere celebration of a century that has elapsed and that merely adds another formality to the list of many that have prevented actual deeds or effective and intelligent resolutions from invigorating the relationship of our countries.

For over 100 years, following the independence movement, the foreign ministers of the Americas have sought to safeguard the significance of the meaning of the community inherited from the Iberian countries and British communities, which are our roots.

There is no point in listing the landmarks of the past, when in truth we really want to look towards the future after critically analyzing the present.

It should be noted, however, that because of the legal measures adopted, a true American system has been established in this part of the world.

It would probably be redundant to talk about the Inter-American system as we celebrate a century of the Panamerican Union which, known as the OAS, is the main organization of that group of organizations which we call the Inter-American system.

But it is hard just to stick to reflections on this OAS anniversary. Right from the beginning, 100 years ago, our respective foreign ministries discussed such varied issues such as conciliation and mediation, increasing trade, the exchange of information which, although hard to believe,was a century ago already regarded as a source of power and the cornerstone of prosperity.

Today our nations are linked through various international organizations such as the ECLA [Economic Committee for Latin America] and the SELA [Latin American Economic System], which seek to enhance trade relations through the common market of the North American continent, the Central American common market, the Caribbean Free Trade Zone, or through our ALADI [Latin American Integration Association].

We must not forget the noble social goals of the Panamerican Health Organization [PAHO], the Inter-American Childrens' Institute, the Inter-American Socioeconomic Council, the temporary existence of the Alliance for Progress, and the vigorous presence of the IDB [Inter-American Development Bank] that have become an indispensable element for our countries.

Therefore, we are in the presence of a system which we must approach critically. We must be critical in our search for perfection.

Just as we want our fatherland to be the way we want it to be, the current Inter-American system, notwithstanding its virtues, is not the way we would like it to be. It is up to this generation of new chiefs of state and leaders to give this system the necessary strength based on formal written documents, on the rights and guarantees given to nations and individuals, and on the strength stemming from the exercise of these rights. [passage omitted]

Economic relations between Latin America and the United States must be reevaluated. We do not think the solution will come with more aid or with more credits, but with more trade and more investments.

Now that East Europe is in everyone's minds, we must remind our neighbors in the north that the potential Latin American market is as big as that of East Europe.

We must also point out, without boasting or making front-page headlines, that our countries are making profound changes in their respective economies and are creating a favorable climate for investment.

State restructuring policy has been adopted by almost all American countries as a necessary goal, and this demonstrates the desire for change that drives all Latin American governments because we admit that this is a one-way street. We are doing what we can, and the world must understand that we are doing so at a high cost and with great effort.

We propose that these two Americas, the United States and Canada in the north and the Ibero-American countries in the south, begin to create a great market for capital, a market for risk capital and not just for regional financial investments; that they sign agreements that will guarantee these investments and make the respective economic needs compatible; and make the market compatible with the developed centers, and development as a condition for social progress.

This is an invitation to share the risk, the source of prosperity, the recovery of the entrepreneurial spirit, and the recovery of investments that will depend on the good or bad luck of our countries.

We must also point out that in individual talks with us and with other presidents, both President George Bush and Vice President Dan Quayle pointed out U.S. concern and interest in maintaining the economic growth of Latin America on their list of priorities.

Without detriment to the solutions or progress achieved by each country regarding the foreign debt issue,there is no doubt that this is an issue that must be solved by 1992, I would say.

No economic development will be possible or just without social progress. At this time of development, now that scientific progress has become the most important source for all nations, we feel that all nations represented at the OAS, using this organization as the basis for the creation of legal instruments or for the removal of legal obstacles, must first agree to coordinate their education systems within the framework of science, and second, to promote a treaty or broad agreement among all continental universities and research centers

so that, through an exchange system, we can stop the brain drain from our countries to the developed ones and facilitate the sharing of resources and talents, especially in the field of applied sciences, and not in the field of scientific speculation. There are hundreds of Latin American scientists making major cultural contributions to U.S. universities. We do not want them to go to the north to find development opportunities; we want the universities and the scientific community throughout the continent to be the same, especially when modern communications make it possible for them to conduct their teaching and research activities from anywhere on the continent.

Tomorrow, 5 June, is World Environment Day. This is a problem that cannot be pushed aside. Compatibility between protection of the environment and plans for development is both possible and essential. To help our continent exist for another 500 years, we must agree tomorrow on the need to outline rules for coexistence between man and nature.

In conclusion, and considering the proliferation of often poorly conceived enterprises, offices, and institutions that try to resolve these problems by simply relieving them of their bureaucratic obstacles, we feel the urgent need to simplify the legal system of the overall Latin American system, of the government and the paragovernment structures that cannot be permitted to multiply, dispersing human and material resources.

Mister President and Messrs. Delegates: In our opinion this is possible and necessary, although it is not the role of presidents or the role of politicians. No. The role of presidents and of politicians is making possible what is necessary. All this is possible, and we must all admit that it is necessary.

It will depend on our collective will to achieve this, to amend the OAS charter, to begin a dialogue with specific dates between the developed sector and the rest of the continent, to make pacts, to share the talents of our scientists, and to yield effective results for our countries. All this is possible, and therefore, necessary.

Finally, we hope that today in this hospitable Paraguayan land, we can project ourselves toward a future in which our nations and peoples can, with their voices and at times with their desperate gestures, achieve what they are demanding from us today. [applause]

Paraguay, Bolivia Sign Free Port Agreement

PY0506183490 Asuncion EL DIARIO in Spanish 4 Jun 90 Special Section p 11

[Text] On 3 June Bolivian Foreign Minister Carlos Iturralde and his Paraguayan counterpart Luis Maria Argana signed an important agreement that authorizes Bolivia to use a duty-free zone in the port of Villeta.

The ceremony was held in room C on the first floor of the Central Bank Convention Center, where the 20th OAS assembly is taking place.

The ministers exchanged notes that contain the agreement in which Paraguay grants to Bolivia a duty-free zone in the port of Villeta. This agreement is included in stage C of the master development plan of this port. The designated area is by the weigh bridge in the southern sector near the main gate and the building housing the administrative offices. The whole area measures 6,420 square meters.

Thus, Bolivia has taken an important step toward solving its landlocked situation because it will now be able to import and export through the port of Villeta.

It was reported at the end of the meeting that the Public Works and Communication Ministry, through the National Navigation and Ports Administration, and the Finance Ministry through the Custom General Directorate, will control the duty-free zone in keeping with existing Paraguayan laws.

Argana Discusses Talks With U.S. on Sanctions

PY0606022790 Asuncion RPC Television Network in Spanish 2340 GMT 5 Jun 90

[Text] The OAS Assembly session for today concluded a few minutes ago, but it will meet again tomorrow. The committees for economic and social affairs, education, scientific affairs, and cultural affairs also met today. Paraguayan Foreign Minister Luis Maria Argana today received delegations from the United States, Canada, and Belize. After meeting with these three delegations, Argana made the following statements to the media.

[Begin recording] [Argana, in progress] ...mainly about the subject of preferential economic treatment. Within this framework, the United States will reconsider on 27 June whether to lift the sanctions on Paraguay or not. He thinks that the causes for imposing such sanctions have now disappeared. Therefore, if the causes have indeed disappeared, the defects must also disappear. He is convinced that the sanctions against Paraguay will probably be lifted. He also stressed, however, that there are very strong trade unions in the United States who oppose lifting the sanctions against Paraguay. He thus recommended that Paraguay attend that session of Congress—a public session that the Paraguayan justice and labor minister will attend to defend Paraguayan interests and to explain the current labor and trade union situation in our country.

[Reporter] What are the real possibilities for the lifting of sanctions against Paraguay, given that up to now the United States has never lifted a sanction of this kind?

[Argana] I am optimistic. I think that the sanctions will be lifted because the arguments are apparently logical. The causes for imposing the sanctions have disappeared, so the consequences should therefore also disappear.

[Reporter] Have the U.S. delegates expressed any opinion on the Paraguayan situation?

[Argana] Yes, it has been very favorable. Eagleburger, who is a very important man in the U.S. State Department because he handles hemispheric relations with Latin America, said he was very satisfied with our respect for human rights, freedom, and trade unionism. In his speech this morning he made a clear, eloquent statement that the Americans seldom say in public. He expressed his respect and support for the government of General Rodriguez for everything he has done and for everything achieved this year. [end recording]

That is how Foreign Minister Argana expressed his optimism over the talks he held with the U.S. delegation.

Panama's Linares Justifies Country's 'Liberation'

PY0606030290 Asuncion ULTIMA HORA in Spanish 5 Jun 90 p 16

[Interview with Panamanian Foreign Minister Julio Linares by ULTIMA HORA; place and date not given—live or recorded]

[Text] Panamanian Foreign Minister Julio Linares has fully justified the U.S. military action in his country, which he described not as an occupation but as a liberation.

Linares said: "I believe that the political events taking place in Paraguay and Panama have profound significance. The two countries have just emerged from military dictatorships. The two regimes were characterized by a suppression of individual rights. You had to bear 35 years of dictatorship, and we had to bear 21 years. Now Paraguay and Panama are trying to restore confidence in their democratic institutions."

[ULTIMA HORA] How can national sovereignty or the self-determination of people be reconciled with the U.S. armed intervention to oust Noriega?

[Linares] First of all, I disagree with your historic perspective. From your question one can deduce that the self-determination of the Panamanian people meant keeping Noriega in power. It is, however, the other way around. The governments of Noriega and of those who preceded him, Paredes and Torrijos, were never based on the self-determination of the Panamanian people. They came to power by force—by way of the bayonet. The truth is that Paredes, Torrijos, and Noriega never had their names in a popular election.

[ULTIMA HORA] In other words, the only way out for you was with U.S. help.

[Linares] Of course, the only choice to oust the military power was through a violent action; their ambition and thirst for power left no other choice. The self-determination of the Panamanian people wanted that change. This is why the Panamanian people, despite being very nationalistic, received the U.S. troops as a liberation force.

[ULTIMA HORA] An old dream is the international convention to declare the universal neutrality of the Panama Canal, taking into account its nature and its importance to continental maritime trade. What is your opinion on this issue?

[Linares] Now I agree with your way of thinking. I believe that the best way to defend not only the Panama Canal but the Panamanian state, which has no political influence in the international field, is by effectively making the Panama Canal and the Panamanian state neutral.

[ULTIMA HORA] To do that it would be necessary to carry out an institutionalization, which could be channeled through the OAS. Do you think so?

[Linares] Not only through the OAS. For a state or part of a state to become really neutral, it is absolutely necessary that other states accept that neutrality. It should be accepted not only by the members of the OAS but also by the states that could jeopardize that neutrality with their military power. I am referring to states that are outside the continent, such as Germany, the Soviet Union, France, and others.

Belizean Minister on OAS, Panama 'Invasion'

PY0606024490 Asuncion ULTIMA HORA in Spanish 5 Jun 90 p 13

[Excerpts] Said Musa, Belizean foreign affairs, economic development, and education minister, has told ULTIMA HORA that "before talking about inter-Americanism with a lot of rhetoric, we must strengthen our subregional organizations." Belize is participating in the 20th OAS General Assembly as an observer.

The foreign minister stated that "we plan to become a full-fledged OAS member in December 1990. We hope that the organization will have the strength to exercise its mandate between our Latin American and Caribbean countries. It is true that it has many problems, but with political will, which depends on all its members, I believe that the organization can begin a new stage." [passage omitted]

Regarding the U.S. intervention in the overthrow of General Manuel Antonio Noriega in Panama, Musa said that "Belize condemned that action. We are against intervention in any country because we are a small nation."

He added: "How could we accept the invasion of a country just to arrest one man? I am not defending Noriega, but no foreign government has the right to invade another; it is unacceptable," the foreign minister said.

Costa Rican Foreign Minister on Central America

PY0606020090 Asuncion EL DIARIO in Spanish 5 Jun 90 p 17

[Text] Costa Rican Foreign Minister Bernd Niehaus told our newspaper that the return of democracy to Nicaragua means that there is detente in the Central American conflict in the search for peace in the region.

He told us that "the ecological problem is very important, and it is time that the OAS set deadlines for implementing the proposals that have already been made concerning the ecological system. We also have a proposal on educating people about the environment; this is important because it is not only a question of implementing measures, but also of educating new generations."

The foreign minister also stated that "we have a draft resolution regarding refugees, which are part of the Central American problem."

He was also reminded that the foreign ministers have discarded the OAS as a forum for dealing with the conflict, which has been channeled through the Contadora Group. He answered: "Look, I respect the goodwill actions of some of the American countries that have mediated in the conflict. But I believe the Contadora Group made a mistake by giving legal status to a group that did not have it. This has weakened the OAS. What is important and should be highlighted is the fact that the OAS is the inter-American system."

Regarding the Sandinist failure in Nicaragua, Niehaus stated that "without a doubt democracy is the basis of the solution to the Central American situation. It is also the basis and fundamental aspect of detente. We have democracy in Central America and that inspires hope for a possible future in which we can achieve peace and development."

Comments by TASS Reporter Covering Assembly

PY0506190090 Asuncion ABC COLOR in Spanish 4 Jun 90 p 4

[Text] According to Vladimir Jalenkov [name as published], a reporter in the Brazilian office of the Soviet news agency TASS, sooner or later Paraguay will have to establish both diplomatic and trade relations with the Soviet Union. The Muscovite journalist has come to Asuncion to cover the 20th OAS General Assembly.

The reporter was born in Moscow and has been working for the news agency TASS for the past 18 years. He has been sending reports from Brasilia for the past three years.

Asked about the possibility of establishing diplomatic and commercial relations between Paraguay and the Soviet Union, Jalenkov said that he cannot comment on this issue.

Jalenkov said: "In keeping with worldwide events, however, I can say that sooner or later diplomatic relations will be established. Trade relations are also important because I believe that countries look for trade possibilities."

Asked about his impression of Paraguay, Jalenkov indicated that very little is known about our country. "Reports about Paraguay are fairly sparse. What is better known, however, is that a democratization period began a short time ago," he noted.

Regarding the possibility of establishing a TASS correspondent office in Asuncion, Jalenkov said that this news agency has offices in all Latin American countries. He emphasized: "I do not believe there will be any problem of establishing a similar office in Asuncion. Thus far, we do not have any contacts; in addition, there are no diplomatic and trade relations."

Finally, the TASS correspondent said that he did not have any problems in obtaining a visa to enter our country. "I presented my documents at the Paraguayan Embassy in Brazil and they gave me a visa," Jalenkov noted.

Cuba

Castro Speaks on Country's Current Problems

FL0506193890 Havana Cuba Vision Network in Spanish 0100 GMT 5 Jun 90

[Speech by President Fidel Castro during ceremony held to present the national vanguard banner to the Blas Roca Calderio construction contingent; place not given; on 3 June—recorded]

[Text] The truth of the matter is that the sun is really hot. [laughter] I had heard the rumor—the truth of the matter is that it was a rumor—that a ceremony was going to be held for the contingent at 1000. I asked myself: What type of ceremony will there be for the contingent? [laughter] I was told that I was invited. So, calls were made early in the morning to find out what type of ceremony it was going to be, the exact time, and the reason for the ceremony. I was learning these things in the morning [Castro chuckles] when I finally found out incorrectly [laughter] that the ceremony was being held because the contingent's 1st brigade had won a banner. I said: The 1st brigade must have done something to deserve a banner. I figured that if the 1st brigade had won it, at least this would be an excuse to go over there inasmuch as it has been a while since I came to this camp site.

When I arrived I heard the good news that the entire contingent had received the national vanguard banner. I said: This is even more than what I thought. It is not a brigade alone; it is the entire contingent. I asked [Candido] Palmero [chief of the Blas Roca Calderio contingent] and he told me that all of the contingent members were not here because there is work under way that could not be suspended even today. He said the rest of the contingent members, most of them, are here participating in this event.

Every day, we hear of new problems regarding supplies, fuel. As everyone knows, fuel is very important. The greatest hope of the imperialists, the most ambitious hope of the imperialists, is that we run out of fuel. This is because of the already-known problems, not because the will is not there, but because it is not possible. As in the words of Sylvio Rodriguez—I believe our writer and singer, one of the most famous writers and singers—I believe he says—it is not equal but it is the same. [laughter] Is this not so?

Regardless of the unquestionable goodwill, stubborn realities are there. We constantly have to think in terms of less and less fuel. We have to tell the truth. This year, at one point, the sugarcane harvest was about to come to a standstill. Many of the trucks, the earthwork brigades [corrects himself] not earthwork brigades but breaking-up brigades, or constructions—even contingents—had to stop working at a given time because they did not have fuel for three or four days.

To not spoil the plans, work must be done with a minimum of reserves. Sometimes waiting for one ship or another... [changes thought] The fact of the matter is that they have been in the situation the Granma was when it arrived at its destination, with two inches of fuel in its tanks.

Do you not believe it is easy to work under those conditions. Some contingents had to stop. I know of some that had to stop working. I know that at this time we do not have any reserves to send at least 100 tons of fuel to that idle contingent. The only reserves we have are the reserves for defense, which should not be touched under any circumstances.

This is the case of not only contingents but also other brigades. Fuel is not the only shortage. The lack of tires has been another problem over which to agonize. Some sources that have supplied tires to the country no longer exist. We must come up with something every day. It has been suggested that not a single tire should go without being recapped. Not a single one. More and more formulas must be found. If tires cannot be acquired in one place, we have to figure out were we can get them, how much they cost, and which resources are going to be used.

This is why I tell you that work must be done under difficult conditions. What the country achieves under the present conditions is a true feat. However, we must adapt to these problems and even greater ones. We have always worked with a reserve of tires. I, at least, have a centralized reserve of tires to prevent the contingents' paralysis, at least the contingents that are involved in high-priority projects. There is a great demand all over for tires, in all areas, in all of fields. When tires arrive on a ship, they must be distributed to prevent our sugar production from being paralyzed and to prevent activities directly involving the people from being paralyzed.

Tires are needed to transport food to animals to obtain chicken, egg, pork. Waste needs to be picked up. Milk has to be distributed. Recently, I read [as heard] on television an analysis of the problems Matanzas had. Some vehicles that distribute milk needed tires.

Someone said that this should be given thought. The Food Industry Ministry should think about this. If there are milk shortages here milk should be imported. Everything appears to be very simple. This is a very simplistic view. No, the Food Industry Ministry is not the only one that should think about this. I believe the entire country should, including the ones that make the analysis. They should analyze themselves to learn their level of knowledge and information and the efforts made.

Of course, I understand the wishes and will of everyone to help solve the problems. This is why I do not have to make any criticisms in this regard. However, we should do everything possible to help and not to demoralize. If every morning we explained all the problems the country has, not one or twenty, but 1,000 problems, I believe the

people would be overwhelmed and would ask themselves how the miracle of the revolution is made possible.

We think every day, we think a great deal every day, about our problems. We even think about the lack of thought that still afflict us. Of course, the first thought, knowing the objective problems of the world, is that the revolution must fight to exist. There is no alternative for the revolution, for the Cuban people. Neither the independence of this country, the sovereignty of this country, nor the future of this country is conceivable without socialism. Socialism is the essence of our revolution. This is our first thought every morning. This leads us to the conclusion of: Socialism or death. [applause]

Our people will never accept again the disgusting situation, the garbage, and the slavery of capitalism. The situation in which man is worth nothing, in which man is a nobody, in which a laborer used to belong to a social sector ignored by bourgeois and landowners in our cities and countryside; that situation will never come back. At least as long as there is a single revolutionary - and there are millions—willing to give his life to prevent it. [applause]

Therefore, we need to be prepared to face these difficulties, even bigger ones—a lot bigger ones—always with our feet on the ground.

How many times have I asked myself about what the Blas Roca contingent would do, what would happen to each one of its projects, and what we would do if we had less and less fuel? If we were forced to stop things, which would we stop? Where would we begin? Logically, there are projects which are more important than others under these circumstances. They are all important under normal circumstances. However, under abnormal circumstances we need to ask ourselves what do we stop first. We have to see if we stop the sugarcane harvest [someone in the crowd says: No!], food production, agricultural development plans—including sugarcane, which has turned out to be not only an export good but a source of raw material for the production of milk and meat because of its honey, its saccharine—programs that are going to provide investments [corrects himself] income in foreign currency which we need so much at this time.

If tires no longer come from certain countries from which they used to come every year, then we have to go out and buy them anywhere with the few resources we have, which have to be distributed according to each one of the essential things we need. They could be medicines. What are we going to do? Stop receiving medicines and have someone die because we did not receive medicines? Or stop receiving food? Or stop producing food? This is why, when you consider each project individually, you say such and such project is excellent in normal times. They are all important. However, in exceptional times we need to consider which ones should go on and which we should stop. We think about these things every day. We try to maintain the normal everyday circumstances, all the tasks, even in very difficult times. We even think that if the situation continues to get worse, if it continues to become more complex, our state, our party, and our organizations will have to choose between this and that.

We can only be sure of one thing. If exceptional circumstances force us to take exceptional measures, then as I was saying, nobody in this country will be unprotected. Whatever we have will be distributed among everyone. We are not going to do like those merciless systems that all of a sudden leave 100,000; 500,000; 1 million; millions of people in a state of absolute abandonment. We would have to adopt here more than ever the three musketeers' principle: One for all and all for one. [crowd joins in: One for all and all for one.] [applause]

Another one of the imperialists' greatests hopes is that the East European and Soviet problems will deprive Cuba of essential and indispensable resources for development. In effect, we should not hide it, there is no sense in minimizing the risks. I do not think that teaches anyone anything. It does not prepare anyone. Instead we should discuss this, at least describe it, express it, so we can always be aware of these problems. We must constantly make plans to face any decision that may be necessary to take. However, we will do everything so we do not have to make exceptional decisions. Of course, the country cannot hesitate to do so if circumstances are such that the survival of the revolution requires it.

Imperialists underestimate us if they think the revolution can be defeated in any way, militarily or economically. Their greatest pressure—they do not conceal it—is to demand, under the current circumstances, that the USSR cease its supply of fuel, other raw materials, and essential products for our country.

Many times, voices have been raised demanding that all cooperation with Cuba cease before a nation could receive any kind of economic cooperation from the United States. We hear this kind of news every day. What we can say is that, up to now, the Soviets have maintained a position of solidarity and firmness with our country, despite their own difficulties which influence us, in one way or another, and despite the goodwill that exists in economic relations between the USSR and Cuba.

I believe that there have been few times—surely never—in the history of the revolution in which our people have made a greater decisive effort. The sugarcane harvest has not ended at this time. Even before ending the sugarcane harvest in the provinces which were further behind, mostly because of the rains—we have found that abnormal torrential rains have fallen, even nature has become abnormal during these times. [laughter] Over 900 mm fell in Banao, in Banao alone, in four days. Nobody does a thing with 900 mm in four days. It is better, it is more valuable to have 200 mm spread in four rainfalls of 50 mm. These excessive rains are damaging, create problems, destroy crops. I was saying that even

under those circumstances, a considerable part of our sugarcane laborers continue cutting cane by hand because it is very difficult to use machines with the mud created by hundreds of millimeters of rain falling in a few hours or days.

I firmly believe that the efforts being made by our people are truly admirable. If I am asked if this effort is perfect I would have to say that we still have a long way to go for that effort to be perfect. When someone is building a dam you know that if he wants to receive and impound spring water he has to complete it by 30 April, or 5 or 10 May. He does not allow delays; he does not allow foolishness; he does not allow postponement. The dam needs to be completed as scheduled like clockwork, or a year is lost. I have seen that we have lost time on some dams. For example, Corojo dam, because the floodgates will not be ready until June or July; Felicidad dam; La Voladora dam. We do not need to have the Metallurgical Research Center [CIME] finish the floodgates in July; they have to be ready in April. Problems are created if there is a delay, not of three, 10, or 30 years, as we were getting used to having, but of three months. Water is lost. Another dam that has to impound water in the spring and reach a certain level, needs to raise its floodgates. One cannot fool around with this.

If the people at CIME are asked, they say projects had to be completely reviewed, etc., etc. The fact of the matter is that instead of being ready in April, the floodgates are ready in June. Things should be foreseen with plenty of time to find possible solutions and prevent delays. I am speaking of dams, which are something that would not be stopped under any circumstance, under neither normal nor exceptional circumstances. One can also ask the Construction Ministry [Micons] people and they explain the problem they have with tires. We had to harshly criticize the Micons and the Water Resources Institute because they did not say at a given time, on a timely basis, that some of these dams, which are critical projects under construction that need to be completed, have problems with tires. The small reserve I was talking about could be used to prevent any of those dams from being delayed. We have had to harshly criticize import organizations, State Committee for Material and Technical Supply and Domestic Trade Ministry [corrects himself] Foreign Trade Ministry, simply because at a certain time they were ordered to acquire 10,000 tires for that reserve and they were not acquired on time.

Of course, I am not going to mention here all the obstacles the Foreign Trade Ministry has had to face in going out and acquiring the tires in a minimum period of time because of the blockade and other difficulties. Even under current circumstances, we could have prevented any of the numerous dams we are building and completing from being delayed. Some are behind schedule. I see this as a result of not being perfect yet—it is difficult to reach this state of perfection, it is difficult for any human work to be perfect. But we need to be more efficient as the conditions are more and more difficult. We need to work with more perfection and demand from everyone—planners, architects, engineers, all who are involved—that problems need to be solved. If a project is delayed because of planning, there is a problem. No one has the right to go home and listen to music, watch cartoons, or a cheap soap opera, even a good one, when something needs to be done that could prevent a project from being delayed during these important and fundamental times of the revolution.

With this I want to say that our people are making a greater and better effort than ever. Our efforts are still far from being perfect. Although we have made extraordinary progress in all areas, especially in those things that have to do with material production and development efforts. When we talk about dams we are talking about brigades that are making canals to take water quickly where it is needed, or brigades that are building irrigation systems. None of them can fall behind schedule and dams cannot be delayed, so they can collect water for rice, sugarcane, vegetables, citrus, or whatever. Neither canals that take the water nor the brigades that build the irrigation systems can fall behind schedule. Today we work like that; we build a dam and canals here and irrigation systems there. This is the comprehensive way in which we should work if we want to obtain the maximum benefit with minimum resources and the minimum period of time.

This is why it is necessary to criticize, note, and point out everything that is subjective and differentiate it from everything that is objective. This is to prevent from blaming I do not know who because oil did not arrive at a certain point, because the ship that was scheduled to arrive did not arrive or was delayed 20 days, a month, or 45 days. This does not, could not, or should not leave room for the fact that if a few tons could be transported and used, they are not transported and used.

In these times more than ever we have to demand a lot from men, demand a lot from all, we have to know how to separate each time the objective from the subjective problems. Of course, one cannot allow objective problems to be turned into excuses or pretexes to stop doing what could have been done at the time it could have been done and was not done.

It is a source of confidence for me to meet with the members of the Blas Roca contingent and talk as I have always have, clearly and frankly. There is nothing more difficult in difficult times or in exceptional times than to be intelligent and, above all, to be precise and objective.

Our work goes on, your work goes on. We will do as much as possible to maintain the pace of those plans. It is a colossal effort. However, the confidence and hope placed on the founders of this contingent has never been disappointed. Every year or month that goes by we could say that the contingent works better and the contingent becomes more prestigious.

As [Jorge] Lezcano was saying, the example has spread throughout the country. About 40,000 workers are contingent members despite the fact that we have limited

them to the maximum because we do not want the concept to become discredited; we do not want the concept to lose prestige; we do not want the objective mistakes to introduce new vices or the old ones to be introduced again. There were many old vices; they were truly colossal ones in the construction sector.

I say here that although projects used to last 20 or 30 years in the past, we do not excuse a project from being delayed two or three months now. We are struggling with this spirit and demands are made to Micons to work with this spirit. Micons has a large number of projects despite the fact that other organizations such as the Sugar Industry Ministry, Basic Industry Ministry, or Steel-working Industry Ministry, or the People's Governments also have construction projects. We see that there are still some projects that have the old vices and habits, and you know about them because there have been times when we have had to ask the contingent to take over a Micons project. We do not like to do it because our efforts should be geared more to persuading, asking, using arguments, and not giving the morale punch of taking the project away. However, there have been times—not in Havana where Micons construction projects have improved considerably—but in some provinces such as Havana Province, when we have discovered more than one delayed project and more than one project that has been characterized by loafing around and laziness, to the extreme of having been forced to give the morale punishment and set an example by giving the project to the Blas Roca contingent because the Blas Roca contingent never fails. [applause]

I cite this example not because it is a usual practice but because there are times in which these morale resources need to be used to solve some problems and to shake up the consciousness of men, cadres, or workers. I was saying that although Micons has a large number of projects, Micons has to be asked to give all its days, hours, and minutes; because as long as there is material, gravel, sand, reinforcement rods, or something to be done, it should not go undone.

The supply problem is also significant. We do not know the problems we would have today without the wood-saving programs. We do not know. It would be hard to imagine. There used to be a lot of metal sheets and wood. Months have gone by without receiving a wood shipment. Whatever we used to use two or three times we now have to use 20, 25, 30, or 40 times. What the country is doing at this time is incredible. It is an effort that we are trying to perfect. We are trying to increase our precision so that in a minimum amount of time we can enjoy the benefits of the huge effort that we are making with a minimum of resources.

The contingents have played a decisive role in the improvements that have been made, especially in the construction sector. Their example has spread throughout the country, and we must protect their efforts. If a contingent suddenly finds that it has no tires—the contingents are usually involved in prioritized projects, while building hotels to increase our foreign exchange, or working on hydraulic projects to increase our food production, or other important projects—if their contingent spirit is lost, even when we have put an end to idled workers, even though men practice multiple-task jobs, and develop other tasks; it will not be the same as a contingent with all of the necessary means within its reach. Contingents are usually mechanized forces and cannot be the same when they have no tires and fuel.

This is why we have been very careful not to take on too many projects. We are very cautious in prioritizing each project. There are things that can be done in normal times, like the things we are doing, and there are things that would only be done in special times, when priority criteria are severe and absolute. You have raised a banner in these heroic times, in these glorious times. You have set an example; you have been proof of what socialism can do. I would dare to challenge any capitalist firm to do more than the Blas Roca contingent and other contingents throughout the length and breadth of the country have done with the resources that we have. [applause]

Here is the proof. You are the proof of what socialism is, of what socialism can do, of socialism's superiority. We cannot fail to take into consideration the example that you have set; your very presence here on a Sunday at this hour, almost 1200 noon, when the sun, as the peasants say, cracks the stones. This is an example of what morale and awareness can do. This is an example of that socialism can do. I congratulate you and thank you for setting this example. [applause] Socialism or death, fatherland or death, we will win! [crowd joins: We will win!] [applause]

Commentary Views Bush-Gorbachev Summit

FL0106143990 Havana Tele Rebelde Network in Spanish 1100 GMT 1 Jun 90

[Commentary by Lino Fernandez]

[Text] Good morning, dear television viewers. At the end of the first workday of the Soviet-U.S. summit in Washington yesterday, analysts agree in noting that discrepancies dominated the first round of talks despite the goodwill remarks made by Presidents Mikhail Gorbachev and George Bush. The Soviet leader stated that he had arrived in the United States with the intent of making serious efforts to reach an agreement on arms control and advance in other topics of international and bilateral interest.

Nevertheless, the triumphalistic attitude shown by Washington regarding the most recent world changes appears to constitute the first obstacle to be overcome with Moscow. This is, precisely, the tone of the meeting which is very different from the December 1987 summit, when the intermediate- and short-range missile elimination treaty was signed. The press is even commenting that Bush intends to take advantage of the situation Gorbachev is facing with the demonstrations regarding

the nationalities, the declaration of independence by several republics, and the economic crisis the country is experiencing.

In this atmosphere of smiles and handshakes, the two heads of state recalled that important differences remain. These appear to predominate over the goodwill remarks.

In our opinion, all of this caused Gorbachev to warn, during a lunch with artists and intellectuals at the Soviet Embassy yesterday, that the lack of understanding by the United States of the USSR's new realities could cause a setback of years in the detente process initiated in the world. On the other hand, it is a contradictory fact that while negotiations are being carried out to achieve disarmament, the United States maintains a high military budget, is developing more sophisticated weapons, and continues with its nuclear war tests, in spite of the changes in Europe.

This summit also creates great expectations in the Third World, composed of the majority of the countries on the planet, which understand the importance of disarmament and peace for all humankind. However, its most immediate and pressing interests are being undermined by the United States. The U.S. Administration only conceives of peace among superpowers. It is perfecting its conventional forces and applying harsher economic pressures as a show of its hegemonic policy.

It is too early to arrive at conclusions on the results of this summit. We hope that during the talks between the representatives of the two most powerful countries in the world, reason turns out to be the winner and that the need for a global and comprehensive solution to the main problems affecting humankind prevail. This is the peoples' desire. Thank you very much.

Commentary on Panama's 'Subservience' to U.S.

PA3005013390 Havana International Service in Spanish 0100 GMT 29 May 90

["Our America" commentary read by Manolo Ortega]

[Text] Different sectors of Latin America are constantly commenting on U.S. intentions to remain in Panama indefinitely. It can be said that this situation has been approved by the local authorities. The Yankees did not put these authorities in power in vain.

Concerning subservient authorities, one must cite what Gerardo Gonzalez, an opposition deputy of the Democratic Revolutionary Party, has said in this regard. He has stressed that General Marc Cisneros, commander of U.S. Army South, is the true ruler of Panama.

The attitude of the imposed President Guillermo Endara has undoubtedly led to this deplorable situation. Endara has a voracity for power and for playing a leading role that is seldom seen. Consequently, he has not hesitated to give up his country's sovereignty to keep his image as chief of state, even if it is a false image.

During his recent visit to Washington, and while waiting for the sought-after and controversial U.S. aid, Endara signed several agreements because his hosts demanded it. These agreements established the subservience of his country to the invaders.

Under the pretext of fighting drug trafficking, Endara signed the following agreements: First, U.S. officials are allowed to board Panamanian-registered ships anywhere in the world; Second, the U.S. Coast Guard is allowed to patrol Panamanian territorial waters with the sole proviso that a few local policemen be on board; and third, the U.S. would have control over the entry and exit of chemical products.

It must not be forgotten that before these agreements were signed, national airspace was already controlled by the United States; this was demonstrated during the invasion.

The excuse of fighting drug trafficking and the total lack of patriotism on the part of the person who signed the agreements have legalized the indefinite permanence of the new colonizers.

If anyone thinks this submission will help Panama get more money from the United States, he will be sadly mistaken, because the $420 million that was just approved is not enough to compensate for the economic aggression against Panama.

It is estimated that in the 30 months that preceded the invasion, these destabilizing actions cost Panama more than $2 billion. This is equivalent to one year of its gross national product.

It can be said that Endara has sold his country at a very low price. This is why many think that the mission of the U.S. Coast Guard will perhaps be to protect the president in face of the rejection that is forthcoming.

Haiti

Disgruntled Soldiers Implicated in Shooting

FL0506215690 Port-au-Prince Radio Haiti-Inter in Creole 2000 GMT 5 Jun 90

[Excerpts] [passage omitted] [Announcer Sonny] There was much shooting this afternoon around the general headquarters of the Haitian Armed Forces, FADH. According to several witnesses, things were rather hairy. A school teacher who was walking in the area at the time said he saw four or five men almost [words indistinct]. They were on foot. The men threw something at the building, which subsequently caused a loud explosion. This same witness says it looks as if the military from the general headquarters grabbed their rifles and pistols and fired back at the men, who then fled toward Capois Street.

Other witnesses say they saw men open fire on the general headquarters from vehicles passing in front of

the building. As they proceeded, they sprayed both the Champ de Mars and the Turgeau areas [as heard] with gunfire. At the gas station that is very near the general headquarters, a few men wearing olive green reportedly disarmed a soldier; then they got into a vehicle while firing into the air to intimidate people. The shooting could also be heard in the Delmas area.

Meanwhile, back at the general headquarters, they told us that there had indeed been an explosion caused by men wearing olive-green uniforms and that information would be forthcoming. The information forthcoming, which came from very high up, announced that two soldiers whom they had just fired and who (?were angry) about being dismissed sprayed bullets at the FADH general headquarters. We will perhaps have further details later.

[Announcer Liliane] We must point out, Sonny, that we are not the only people to have the news. It has already spread throughout the world. We just got an AFP [AGENCE FRANCE-PRESSE] cable that gives a few additional details that we did not have. The cable says there was shooting from heavy-caliber weapons this afternoon at around 1400 in the Champ de Mars area, where the FADH general headquarters is located. Quoting witnesses interviewed by both Radio Antilles and Radio Metropole, AFP says four men in military uniforms managed to disarm an FADH officer. Then the men started shooting and fled. Neither we nor AFP know as yet whether anyone was killed or wounded in this incident, which occurred at around 1400 today on the Champ de Mars—more precisely, between the National Palace and the general headquarters. However, AFP says witnesses saw two ambulances from the military hospital in the area. [passage omitted]

As we said, this incident caused a big panic in the area. People passing along the Champ de Mars had to rush to seek shelter because they did not know what was going on. Traffic through the area was also blocked off. Reinforcements were sent from the National Palace and they cordoned off the entire area around the building.

Members of the general staff and the police who were contacted by AFP refused to make statements. We, too, had done this. They did not tell us whether it was true or not. In any case, we are trying to find out.

Also, as we announced at the beginning of this report, we got news from the National Palace to the effect that two men have been captured. They specified two. They are identified as soldiers who were dismissed and who allegedly did this today because they got angry. We do not know exactly if they are soldiers just fired from the Army or soldiers who were dismissed when reforms were made affecting the Leopards Corps and the Dessalines Barracks. We do not yet have specifics or details on this. We will inform you as soon as we do have them. [passage omitted]

El Salvador

Merino on Plan To Counter 'Misinformation'

PA0306155290 San Salvador LA PRENSA GRAFICA in Spanish 30 May 90 p 2

[Text] Salvadoran Vice President Francisco Merino has said that the government has begun a campaign in the United States to counter disinformation about his country. With that purpose in mind, during a recent trip he met with members of the Salvadoran community in Los Angeles and San Francisco, California, to establish strategies to follow to fill the information vacuum that has given El Salvador a bad image in the United States.

He said that he met with 20 members of the U.S. news media from the state of California who granted him the opportunity to dispel doubts about the country. The information program is designed to maintain a direct and constant relationship with U.S. newspapers, radio, magazines, and television, through interviews with Salvadoran officials and with groups of Salvadorans residing in that country. According to Merino, the Salvadoran population in the United States is estimated to be over 1.2 million, which means 20 percent of the country's total population. In addition, he also wants to give the opportunity to his fellow countrymen to participate in the country's economic recovery, since the government will give all available facilities for them to invest in companies and businesses here. He said that these Salvadorans are interested in investing in productive projects, privatization [privatizacion], real estate, the stock market, and so on.

The vice president estimated that Salvadorans living abroad send their relatives aid amounting to $300 million in foreign currency every year, but that figure could go up if they also decide to invest. To conclude, he said that the program will be aggressive and will begin in June in Houston, Dallas, Miami, Washington, New York, and New Jersey, where the largest Salvadoran communties are located.

Larios Says Military Not Solution to Conflict

PA0206212190 San Salvador Canal Doce Television in Spanish 0300 GMT 2 Jun 90

[Text] Defense Minister General Rafael Humberto Larios said on 1 June that the war in El Salvador has no military solution. Following the events marking President Alfredo Cristiani's first year in office, at which he was present, the top military chief praised the government's peace efforts and the president's interest in professionalizing the Army.

Gen. Larios said that the Armed Forces have undergone significant changes over the past decade, and that this process will continue in a spirit of greater professionalism within the military.

[Begin Larios recording] We have evolved significantly. As I said a few moments ago, we are supporting and strengthening our government's political positions. I clearly understand that there is no possible military solution through which to attain peace. The process is political, the political components have been strengthened, and the Army as an institution is willing to fully support the political process so that we can achieve what all Salvadorans desire so much: peace. [end recording]

Larios reiterated his position regarding the FMLN [Farabundo Marti National Liberation Front] campaign to destabilize the people and harm the Armed Forces, despite the efforts the military has made. Gen. Larios spoke of the FMLN campaign when he was asked about numerous accusations by certain sectors to the effect that military leaders are gaining wealth through what they describe as the war business.

[Begin Larios recording] I believe there are various sectors within the national conflict that are trying to foster doubt, promote destabilization, and misinform the public, which shows irresponsibility, is rather dangerous, and, obviously, should be interpreted as positions or trends emerging from the FMLN's terrorist front in an effort to destabilize our people and, of course, harm the Army. [end recording]

Concerning future changes in the military hierarchy, the minister only said that they will be disclosed over the weekend. He said that the changes will be routine. He also announced that Colonel Rene Emilio Ponce will resume his duties as chief of the Armed Forces Joint Chiefs of Staff this weekend, following a bout with kidney failure and hypertension, which forced him to seek medical treatment in the United States.

The defense minister disclosed all of the above shortly after the conclusion of events marking President Cristiani's first year in office. After reading his annual report, the president went to the Civic Square at the Legislative Assembly, where dozens of students from various schools sang the Peace Anthem. Following the anthem, hundreds of white balloons and dozens of doves symbolizing peace were released as part of the celebration marking Cristiani's first 365 days in office.

Dismisses Retirement Rumors

PA0306135590 San Salvador DIARIO LATINO in Spanish 1 Jun 90 p 7

[Text] Defense and Public Security Minister General Rafael Humberto Larios said today that there will be no significant changes within the Armed Forces. The minister was referring to the latest general order of change, and thus dismissed rumors of his retirement.

"These are normal routine changes and there is nothing special about them," Gen. Larios reiterated. Concerning his retirement, he added that "it is a decision for President Cristiani."

Similarly, the military officer voiced full support for President Cristiani's policy in the search for peace and noted that "we are supporting and strengthening the

political positions of our government. We clearly understand that there is no possibility of attaining peace through military means. Therefore, as a military institution, we are willing to give full support to that political participation to achieve what all Salvadorans want, which is peace."

He insisted that for the Armed Forces to be successful, it must maintain a line of responsible behavior toward the people and society. "We reject any violations against individuals, and as an institution, we believe in respecting and promoting individual freedoms and the human rights of the Salvadoran people to advance the process of democratization and thus attain peace."

When asked about the condition of Colonel Rene Emilio Ponce, chairman of the Joints Chiefs of Staff, the defense minister said that Col. Ponce had recovered and was expected to return to the country today or tomorrow.

Committee Announces Changes in Armed Forces

PA0406043590 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 2 Jun 90

[Text] The Armed Forces Press Committee issued a brief report today on the Defense and Public Security Ministry's General Order No. 5 of 1 June, announcing the following military changes in the Armed Forces:

Colonel (Humberto Corado Figueroa), commander of the Military Detachment No. 4 in San Francisco Botero, Morazan Department, has been transferred to Military Detachment No. 7 as the commander in Aguachapan Department.

Lieutenant Colonel Oscar Alberto Leon Linares, commander of the Immediate Reaction Atlacatl Battalion in Sitio Del Nino, Libertad Department, has been transferred to the commander's post of Military Detachment No. 4.

Lieutenant Colonel Jose Eduardo Angel Orellana, executive commander of the 3d Infantry Brigade in San Miguel, will head the Atlacatl Battalion.

Lietenant Colonel Angel Eliseo Ramos Escalante will head the Executive Command of the 3d Infantry Brigade.

Two Officers Testify in Jesuit Murder Case

PA0406043390 San Salvador Canal Doce Television in Spanish 0300 GMT 2 Jun 90

[Italicized passages recorded]

[Text] Two Army officers testified before the 4th Penal judge this morning under strict security measures. One officer was a member of the honor commission appointed to study the Jesuit case, and the other officer participated in searching the Central American University two days before the priests were killed.

Captain Juan Manuel Grijalba, the last member of the honor commission, testified today. In addition, the judge of the 4th Penal Court heard testimony from Lieutenant Hector Ulises Cuenca Ocampo, a member of the National Intelligence Department, who searched the university a few days before the massacre.

[Unidentified judge] *Lt. Cuenca Ocampo did not give much information. He only confirmed that he had searched the university on 13 November on orders from his superiors. He was involved in maintaining a watch. I understood him to say that he was there only to assist if something unusual was going on. There was no new evidence.*

[Reporter] *Did you ask Ocampo who gave him the orders?*

[Judge] *Yes. He received orders from his immediate superior.*

[Reporter] *Do you have his name and rank?*

[Judge] *Yes, we got his name from Ocampo's statement, but I do not recall it right now. I do not want to mention any names because I could be wrong.*

Later on, it was reported that Cuenca Ocampo had followed the orders of Captain Herrera Carranza, who will probably be summoned to testify. Regarding the statements by the members of the honor commission, certain discrepancies have been noted. The prosecutors are carefully discussing these statements. However, other sources have warned that the honor commission has made an effort not to commit itself in the testimonies.

[Unidentified Judge] *The members of this commission limited themselves to saying that they had no investigative duties.*

[Reporter] *We understand some of them denied that a written report had been prepared.*

[Judge] *Yes, I do not recall who, but one of them said there was no written report. I think it must have been a slipup, but the truth is that there is a written report and it has already been added to court records.*

The media was not allowed to hear the officers' testimonies. Neither the 4th Penal Court judge nor the Supreme Court ordered this action.

[Unidentified Judge] *There was no order from the Supreme Court or the Judicial Branch to deny access to the media. In fact, it is important to us to make sure the reporters have everything they need to do their jobs. This action should be considered a unilateral security measure of the Armed Forces that has nothing to do with the Judicial Branch.*

Fortunately, this measure was lifted after two hours, but it is a gross and deplorable error, because those who issue such orders should know that they are affecting the international and national opinion.

Col. Moran Rejects 'Slanderous' Murder Charges

PA0306134790 San Salvador EL DIARIO DE HOY in Spanish 1 Jun 90 pp 2, 25

[Text] Colonel Mario Denis Moran has rejected as "slanderous" charges raised against him by communist groups that link him to the death of an FDR-FMLN [Revolutionary Democratic Front-Farabundo Marti National Liberation Front] representative in Guatemala.

Moran, a military attache at the Salvadoran Embassy in Guatemala, pointed out that these charges are part of a communist plot against the government and the Armed Forces to profit from the "dialogue" that is taking place.

Oqueli Colindres, a member of the FDR-FMLN and the Revolutionary National Movement (MNR), and his colleague, Hilda Flores, were murdered by unidentified individuals last January along the highway to La Aurora Airport.

In a written statement to reporters, Moran insists that the charges raised against him by terrorist leader Jorge Shafik Handal "are undoubtedly a plot prepared by the terrorist left and unscrupulous politicians who are not interested in peace for El Salvador or the Central American region."

He emphasized, "...it is part of the FMLN-FDR strategy to profit from the 'dialogue' that is being conducted with the Salvadoran Government. The strategy has two goals—one against the Armed Forces and the other against the legally established government."

"In my career, I have respected the law. At no time could I justify any criminal action that would hinder the efforts toward peace that the Armed Forces and the government of the Republic are pursuing," he concluded.

Roberto Mendoza Jerez Named Attorney General

PA0206212290 San Salvador Canal Doce Television in Spanish 0334 GMT 1 Jun 90

[Summary] On 31 May the Salvadoran Assembly unanimously elected Dr. Roberto Mendoza Jerez as the new attorney general to replace Dr. Mauricio Colorado.

Radio Commentary Criticizes Cristiani's Speech

PA0406222690 (clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 4 Jun 90

[Station commentary]

[Text] We listened to Cristiani's speech on his first anniversary as president, and never have we heard a speech so full of hollow rhetoric, demagoguery, and lies. Cristiani said in his speech—we have a copy here—that, as a citizen, I feel proud that pluralism of thought and ideas is increasingly respected and dynamic in El Salvador, and will eventually bring to reality the society that we dream of and work for.

We were saying that Cristiani's speech was full of hollow words, demagoguery, and rhetoric. Who can believe Cristiani when he says he feels proud of having established pluralism of thought and ideas, in a country where its own Armed Forces have murdered the most brilliant intellectuals, the six Jesuit priests? Who can believe Cristiani as having established pluralism of thought and ideas when Salvadoran democratic leader Hector Oqueli Colindres was murdered by Colonel Denis Moran, the official representative of Cristiani's government as military attache in Guatemala? Who can believe Cristiani after reading this paragraph of his speech after his first year in office which says there is pluralism and democracy in the country, when the DIARIO LATINO newspaper was raided several days ago and when the church's own radio station is being jammed, not to mention Radio Venceremos and Radio Farabundo Marti? This is what we have quickly noted from Cristiani's first anniversary speech. In a nutshell, it is pure empty rhetoric.

FMLN Deserter Notes Dissension Within Group

PA0406020790 San Salvador EL DIARIO DE HOY in Spanish 2 Jun 90 p 4

[Text] An FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front] deserter, who has asked to remain anonymous and who has been given the pseudonym of "Commando" by the authorities, has turned himself in to the 3d Infantry Brigade based in San Miguel and has requested the protection of the military authorities, to whom he made important statements.

"Commando" said that he belonged to the self-styled group called the People's Revolutionary Army (ERP), a component of the FMLN-FDR, which in the last few days has rebelled against its leaders because it does not agree with the "dialogue" being held with the government.

"Commando" made the decision to desert after he and another group of "fighters" were taken by force to the town of Perquin and forced to pose for a group of foreign journalists in an effort to make the journalists think they were "participating in a parade in which new fighters were receiving new equipment."

The deserter said that to make it seem like many people were participating, men, women, and children were recruited by force in different villages in the eastern part of the country several days before "the event." The people were promised food and milk sent by internationalists, and were told not to report these actions.

The deserter said that the ERP leadership disagrees with "the dialogue" and that is why over the last few days it has made a show of force by blowing up power posts and carrying out terrorist and harassment actions against military bases and security corps.

According to reports, the deserter's statements are being reviewed by military intelligence.

Guerrillas Wound Guard Member; Lawyer Killed

PA0506044290 San Salvador Canal Doce Television in Spanish 0300 GMT 5 Jun 90

[Text] In spite of repeated calls for peace, the country continues to endure a high level of violence. Two attacks were made in San Salvador today. The guerrillas shot a presidential residence security lieutenant, and an attorney was killed elsewhere in the capital.

The first attack took place at approximately 0650 today, Monday, on San Francisco Passage—the former Auchucar Street—in the San Francisco Sur residential area. It was carried out by Farabundo Marti National Liberation Front [FMLN] urban commandos. According to witnesses, Lieutenant Edgar Rivera Barrera, 26, had made a stop at this point when all of a sudden he was attacked by an urban commando. Another commando was waiting in a vehicle. The two fled in this vehicle a few minutes later.

[Begin recording of unidentified witness] The man made a stop there. Then the other man pulled out his gun, fired at the first one through the windshield, and said: I killed him. As he started to leave, the attacked man rose again, and the gunman returned and went to a side window and fired again. I was watching all this from behind a car on the other side of the street. The gunman fired at me and left. Then the major, or captain, I do not know which, pulled something out and threw it at me. I hit the dirt. The wounded man had thrown a grenade and I was wounded by shrapnel. Then he put his car in reverse and left. I think he was still feeling strong. [end recording]

The lieutenant's vehicle had nine 9-mm holes in it. Preliminary reports indicate he was wounded in the legs only. Rivera, who was on leave from the presidential residence, was taken to the military hospital by citizens.

His father, Colonel Carlos Rivera, died in similar circumstances on 26 July 1989. At that time Colonel Rivera was general director of the Fire Department.

Meanwhile, heavily armed unidentified persons murdered Dr. Jose Armando Pena this afternoon. There is no report on the reasons for the attack. Pena, who was president of the El Salvador Bar Association some years ago, was murdered in front of his house when he was returning from his job.

Pena died inside his car (license plate 149584). He was wounded in the arm and in the chest. This happened at approximately 1300 at Campos Eliseo Street in Campos Elicios Colony in northwestern San Salvador. Relatives of Mr. Pena have said that the victim belonged to no political party and worked by himself.

FMLN Reports Recent Attacks in San Salvador

PA0406182790 San Salvador DIARIO LATINO in Spanish 1 Jun 90 p 7

[Text] The Modesto Ramirez Urban Commandos of the Farabundo Marti National Liberation Front [FMLN] today claimed responsibility for what they described as "simultaneous operations that consist of attacks on enemy positions" carried out in various parts of San Salvador over the past few hours.

In a telephone call to DIARIO LATINO, a guerrilla commando reported an attack with fragmentation grenades on a military position along the Olympic Avenue near the Uraya Movie Theater. The action was carried out yesterday at 0700, and up to this moment the number of casualties is unknown.

Another attack took place at 1500 on positions of the 1st Infantry Brigade on 25th East Street near the Don Rua Church. The rebels said that the attack, which was carried out with hand grenades, resulted in two dead and an undetermined number of wounded.

According to rebel spokesmen, those actions are part of the nationwide activities designed to "unmask the Army's impunity in the case of the assassination of the Jesuit priests."

In addition, they protested "the continued wave of unjustified arrests and disappearances," as well as the "disinformation campaign launched by Coprefa [Armed Forces Press Committee], intended to implicate us in actions against the civilian population."

Finally, the urban commandos urged the civilian population to "stay away from military facilities, as they will continue to be targets of attacks within the framework of our military actions."

It was also reported that approximately 17 power poles were blown up by guerrillas over the past 24 hours.

As a result of the sabotage actions, a daily four-hour rationing program has been implemented in various parts of the capital.

Religious Official Condemns FMLN Threats

PA0406021290 San Salvador EL DIARIO DE HOY in Spanish 2 Jun 90 p 5

[Text] Bishop Romeo Tovar Astorga, recently honored by the people of Zacatecoluca, has once again condemned the threats of the FMLN [Farabundo Marti National Liberation Front] to launch a new aggression against the people "even more brutal than last November's aggression."

Msgr. Tovar Astorga said that the FMLN does not have any right to threaten the people.

The bishop of Zacatecoluca said that as a Salvadoran, he was expecting much more from the latest meeting between the representatives of the government and the FMLN held in Caracas, Venezuela.

"Like the majority of Salvadorans, I was also expecting a cease-fire and more sensitivity from the FMLN," the pastor said.

As for the boycott against Salvadoran exports that the leftist groups are promoting in the United States, Tovar Astorga said that he is a pastor, but he is also a Salvadoran citizen. Therefore, as a pastor and a citizen, his interests lie with the people. He emphasized that the coffee boycott promoted in the United States by some religious groups is more political than evangelical.

The bishop added that the blackmail is promoted by the Council of Churches of the United States, which should have a more Christian attitude, but instead, its outlook is political and seeks to harm El Salvador and pressure the government of the republic, not the FMLN.

That stand was clearly defined in the letter sent last week by the Salvadoran Bishops Conference to the U.S. church last week, the pastor said.

He emphasized that as a pastor, a bishop, and a citizen, he defends "the Salvadorans who work in the fields; who cut coffee, transport it, and take it to the coffee mill. Half of our people survive on coffee-related activities," he added.

To defend these principles, he will go, if necessary, to the United States and state his position before the U.S. church, he added.

Coffee Growers Say FMLN Inspires Boycott

PA0506180190 San Salvador Canal Doce Television in Spanish 0324 GMT 30 May 90

[Italicized passages are recorded]

[Text] Ruben Ernesto Pineda, executive director of the Salvadoran Coffee Council, today said that the boycott that U.S. union members have applied against Salvadoran products, particularly coffee, is caused by FMLN [Farabundo Marti National Liberation Front] pressure against the Salvadoran economy.

The boycott against Salvadoran coffee is not an isolated action. All the actions carried out by U.S. liberals and leftists are directed at a single objective—to reduce aid for the government of President Cristiani.

He said that the association, called Neighbor to Neighbor, persuaded the U.S. West Coast Stevedores Union to refrain from unloading any shipments from El Salvador.

These leftist organizations are members of CISPES [Committee in Solidarity With the People of El Salvador], the larger organization linked to the FMLN. These organizations have sponsored the boycott and all other actions intended to lead us into negotiating from a weak position and prevent us from discovering who assassinated the Jesuits. So it is not only the coffee boycott that is involved. As you know, a 50-percent cut in U.S. aid was debated last week. The boycott is only one of several such measures.

This solution will be solved shortly, Pineda said, because he plans to meet with the stevedores union in a few days to present to them, as he said, the other side of the coin.

Charges are made when dealing with these problems, but the other side of the coin—the harm caused and on whom it is inflicted—is not examined. I read a newspaper article where somebody said: Look, I am a coffee grower. I have never killed anyone. [Words indistinct] problems are not settled that way in El Salvador. Carrying out such actions through the Council makes no sense.

The talks with the stevedores union will include the deputy minister of economy, a representative of the coffee sector, and a Council member. Pineda also said that U.S. Government commercial corporations that have maintained relations with El Salvador have demonstrated unconditional support for the unloading of coffee shipments in U.S. territory.

Reportage Discusses Army, FMLN Fighting

Army Reports 'Violent Clashes'

PA0406020890 Panama City ACAN in Spanish 1808 GMT 2 Jun 90

[Text] San Salvador, 2 Jun (ACAN-EFE)—A military spokesman reported today that eight soldiers and 16 rebels have been killed, and 34 rebels and soldiers have been wounded in violent clashes between the Armed Forces and the guerrillas throughout El Salvador.

The source told ACAN-EFE that during clashes on 1 June on the Pan-American Highway in San Miguel Department, 15 Farabundo Marti National Liberation Front [FMLN] rebels were killed and 25 were wounded. During those clashes the Salvadoran Armed Forces suffered 12 casualties, dismantled an important FMLN command post, and seized five rifles, a machine gun, submachine guns, and a large amount of ammunition.

According to the military spokesman, five rebels have been wounded in other clashes reported in El Divisadero, Morazan Department, approximately 150 km east of San Salvador. The source added that another rebel has been killed in a clash with soldiers in San Gerardo, San Miguel Department, approximately 170 km east of San Salvador.

On 1 June the FMLN launched several heavy attacks in various parts of the country, including San Salvador, and destroyed approximately 20 power towers. These actions occurred on the anniversary of President Alfredo Cristiani's first year in office.

According to official reports, the FMLN harassed today the Treasury Police post for approximately one hour in war-torn Chalatenango Department in northern El Salvador. There are no reports of Army or FMLN casualties.

According to a rebel report, in May the FMLN inflicted 362 casualties on the Armed Forces during clashes

throughout the country. However, the FMLN did not report on casualties within its ranks.

Clandestine Radio Venceremos, voice of the FMLN, reported that seven officers, including a captain and three pilots are among the Armed Forces casualties.

The FMLN report adds that the rebels also downed a helicopter and damaged six others, destroyed three military trucks, two civil defense locales, and 60 power towers.

FMLN Commander Jorge Melendez ("Jonas") justified these actions, saying that they force the government and the Armed Forces to speed up the negotiations.

Radio Venceremos Reports Attacks

PA0206043090

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 2 June broadcasts eight minutes of military reports on clashes between Farabundo Marti National Liberation Front [FMLN] guerrillas and Salvadoran Army troops. According to Venceremos, at 0330 on 31 May, FMLN forces clashed with Arce Battalion troops in San Andres Canton, San Gerardo jurisdiction, San Miguel Department. "As a result of this maneuver, we inflicted 12 casualties on the enemy," Venceremos reports. The report adds that the guerrillas seized two knapsacks, a cartridge belt for a (M-60) machine gun, and 2,000 bullets for M-16 rifles.

The second report states that at 0800 on 1 June, FMLN units took control of the military road near La Ceiba, Santa Rosa de Lima jurisdiction, La Union Department. Venceremos says the "enemy troops showed up at 0900, and the clash that followed lasted two hours." Venceremos claims that "as a result of this clash, three casualties were inflicted on the enemy."

The rebel station continues: "At 1350 on 31 May, guerrillas ambushed a military truck that was carrying soldiers from Santa Ana to San Salvador near La Reforma Canton, La Libertad Department." As a result of this action, two casualties were inflicted on the enemy, the station claims.

Another report says that on 1 June, guerrilla units took control of a section of the Panamerican Highway near (San Cristobal). The report adds that the guerrillas occupied the road until 0700, but at 0730, a National Guard patrol showed up and two casualties were inflicted on them.

The final report states that at 1140 on 1 June, FMLN guerrillas placed mines in the path of a Cabanas Battalion company. The incident took place in (Victoria jurisdiction), Cabanas Department. "As a result, four soldiers were seriously wounded, including a lieutenant, who was the company's chief, a sergeant, and two corporals," the rebel station claims.

Honduras

Callejas Interviewed on Economy, Contras

PA0306201490 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 21 May 90

[Interview with President Rafael Leonardo Callejas by Julio Armando Valdes at the presidential residence in Tegucigalpa; date not given—recorded]

[Text] [Valdes] We are at the residence of Mr. Rafael Leonardo Callejas. There are confrontations in the agricultural sector. Are you worried about this? Could this have an effect on your administration's plan to produce an agreement in the agricultural sector?

[Callejas] An agricultural settlement should be reached. It is important for all sectors, but especially for the country. We must establish clear conditions in relations among the government, the rural workers, and the farmers and cattlemen. This is necessary to avoid uncertainty. Uncertainty has resulted in lower investments in the agricultural sector.

Agreement does not mean sympathy. I have asked the director of the National Agrarian Institute to seek settlements with those willing to reach settlements. Some sectors are willing and others are not. We cannot stop the search for agreement and harmony because of some sectors. Judging from what I have discussed with leading peasant groups, these groups have the will to reach a settlement as long as some little problems are resolved.

This means that we must also speak with the National Federation of Farmers and Cattlemen of Honduras [Fenagh]. I am optimistic, because in the agricultural sector there are not too many differences. We believe that goodwill plays an important role in overcoming differences.

[Valdes] Is the impasse that existed between you, as president, and the National Party and the deputies over?

[Callejas] The significance of the differences has been distorted to a certain extent. Basically, there are no political discrepancies among us. What happens is that many rank-and-file National Party militants feel frustrated because they—especially at the middle level—want to join the government cadres as soon as possible.

Neither I, nor the political leaders, nor the militants can feel happy with this situation. We have to govern with our people. We should govern with people who act alike and who share the same viewpoints. At this moment, this situation does not exist at the middle level of government. This is so for several reasons, but the main reason is the legal procedures that regulate the public sector. Procedures for substituting personnel take more than 40 to 50 days. As you know, we have had differences with public employee associations and labor unions. Because of this we have not been able to go as fast as we want.

Because of this I have been meeting personally with deputies, ministers, and department heads so that valid claims and just feelings of dissatisfaction do not disturb relations between the legislative and executive branches.

[Valdes] Could this dissatisfaction have repercussions at the conclusion of your four years in office and therefore hurt the National Party, since the Liberal Party is already announcing candidates? I believe that the future of your party depends on your government policies.

[Callejas] The government will create suitable conditions for winning the 1993 elections. The situation of jobs not being created in the public sector is only temporary. This condition does not exist because we want it or because we cannot make decisions. It exists because we do not have the mechanisms to resolve the situation more quickly. Let us remember that we can only provide employment for 5,000, or 10,000, or 15,000; and that 930,000 people voted for me.

As I said during the campaign, I do not think the government should be the main source of employment. What we have to do to win elections is to give more dynamism to the economy to develop it. The 1989 elections gave us a clear experience. The Liberal Party governed, gave jobs to many people, and still lost the elections. Jobs must be created by economic growth, not by the public sector.

At the public sector level, we are not looking at employment as the previous two governments looked at it. To effectively implement government policies, we simply give government jobs to people who have political affinity with us.

Valdes] In your opinion, have Hondurans prejudged or criticized your government too hastily?

[Callejas] In this regard, there is a very interesting development that pleases me—realizing that this would happen, certain opposition groups have squandered all their ammunition too early.

[Valdes] The contras have said that they have returned to Honduran territory. Do they enjoy refugee status?

[Callejas] The contras have not returned nor will we allow them to do so. Any contra entering the country will have to come unarmed and under the status of...[changes thought] The term refugee is complex diplomatic jargon. I understand your question and I will say that they may come here as long as this does not imply that they will be granted refugee status; they may come temporarily for a short period. Anyone coming to the country must understand that Honduras is no longer willing to sustain the counterrevolutionaries under any circumstances.

[Valdes] Five hundred still-armed contras have entered the country. What could happen to those who come here?

[Callejas] Not that many came; there has been a misunderstanding. Some relatives and others who came from Bocay came here, but they are going to refugee camps under CIAV [International Support and Verification Commission] and UN High Commissioner for Refugees control—that is, they will not be independent or allowed to move about Honduran territory as they used to.

If they come here for humanitarian reasons in keeping with international law, Honduras cannot reject them. However, they must go to camps under UN control and supervision and not under the conditions of the past. We must make this point very clear: Honduras' relationship with the contras has ended.

[Valdes] Journalists' Day will be marked on 25 May. There is an initiative at the National Congress of the Republic. Would you support it?

[Callejas] I am very much for it. I believe that it is about time to carefully regulate labor-management relations in the area of journalism.

[Valdes] What is your opinion about media criticism of your government?

[Callejas] Honduran journalism is usually fair and acts in keeping with what it hears and the people's interests. Of course, certain media cannot avoid making political remarks. However, when one carefully analyzes editorials, one realizes that front page articles do not necessarily reflect the newspaper's position. The media takes advantage of the circumstances. That is part of political life. Opposition parties, whose candidates own media, use such media as conveyers of their thoughts.

[Valdes] What is your opinion about the airports in San Pedro Sula and Tegucigalpa?

[Callejas] We will support an international airport in San Pedro Sula with extensive technological improvements. This does not mean that the Tegucigalpa airport will cease to handle international flights. There has been a misunderstanding here. That San Pedro Sula will be our main short-term airport investment does not mean that the Tegucigalpa Airport will be neglected.

We have discussed with the communications minister that the Tegucigalpa Airport will continue to handle international flights and have customs and immigration offices; however, the important flights—we hope that planes larger than the 737 will come to Honduras in the future—will definitely be received at the San Pedro Sula airport.

While we make the main decisions regarding a great international airport for the future—and in our opinion, the best site is Palmerola—and in view of the country's economic situation, our best short-run investment is to upgrade San Pedro Sula's Toncontin Airport.

[Valdes] President Callejas, let us clarify things. Since you arrived in office, basic staple prices have increased. Is this speculation? Did this happen in previous governments or...

[Callejas, interrupting] That is not right. What happens is that fortunately Hondurans and human beings in general have short memories. They do not remember bad experiences. The exchange rate currently stands at 4.40 Lempiras to the dollar; in September 1989 it was 4.80. If you check the price of a measure [medida] of beans in June 1989, you would discover that it was six lempiras; it is lower than that today.

However, this is not enough, because what the people really want is lower inflation. There has been too much speculation, and this is why a draft amendment to the consumer law has been presented, which I hope will be debated soon to correct mistakes. The truth is that the government is doing something about this: We have capitalized Banasupro [National Supply Agency for Basic Products], we have agreed on the prices, and we will continue to give resources to Banasupro to maintain stability. We will reveal to the people on television what the prices are in various supermarkets.

Unfortunately, the voracity and immoral greed of certain people generate speculation. What is happening to Hondurans is very unfair and we want to punish those who speculate.

[Valdes] Are price controls an emergency measure or a long-term measure?

[Callejas] We are controlling prices. If sugar is sold at 70 centavos at Banasupro, we want to keep that price even if sugar is sold at 85 centavos elsewhere. That 15 centavo difference could cause speculation. Consumers must know that at Banasupro they will find the price that we have agreed upon with the producers; that there is no speculation at Banasupro.

This will also apply to medicine. Government hospitals will have medicine at the disposal of the people. However, they must go to public hospitals. Those who chose to go to private hospitals will have to pay other prices for medicine. That is unfortunately the reality. Those who want to buy at expensive supermarkets instead of Banasupro might have to pay more because of the supermarket's location. However, the government will place basic staples at the people's disposal at Banasupro outlets at fair prices that are agreed upon without any speculation.

[Valdes] The church has criticized the economic measures. Will you call the church to an open dialogue?

[Callejas] I cannot call the church, but it can call me. I requested a meeting and the church granted it. What is important about the church's communique is not its opinions, but that it contains subjective positions. When the church interprets in its own way certain aspects, such as our decisions being conditioned by the IMF, I believe that it is being unfair with the government.

I believe that they are right to express their opinions because of the impact caused by some of our decisions. However, such opinions must be based on firm criteria. The church once criticized the program for single mothers, but we have read in the media that the church's chancellor is now promoting programs for single mothers along with groups such as the Padilla Congregation. In other words, we feel that the church is being inconsistent, and we want to discuss this.

The church is rector of our spiritual life, and I, as a Catholic, wish to do all I can to have good relations with the church and at no time would act disrespectfully, but I do want to meet with church representatives to discuss our decisions as the government.

[Valdes] In criticizing your government's economic measures, do you believe that the church is seeking to get involved in politics?

[Callejas] I (?do not) think so. Church followers seek spiritual guidance, and thus, the church has the right to express its opinions, but we only ask that the church be just.

[Valdes] Jaime Rosenthal Oliva has harshly criticized the government. He has said that the measures should not have reached such extremes. What is your comment?

[Callejas] Jaime Rosenthal is one of the country's most capable men. However, as soon as he became a presidential candidate, I believe that his opinion lost credibility, because he is no longer being objective, but partly subjective. Nevertheless, I respect his opinions. I have read much of what he has said and we are willing to correct those aspects that are in keeping with our line of thought.

[Valdes] Your government has lost credibility after three months in office. Can this government do a good administrative job despite the criticism?

[Callejas] The government is not weak by any means. The decisions we have made are the strongest in the country in many years. What has happened is perhaps there are certain segments—they want us to be tough with the labor sectors, but I do not see why we should do that, because they are also Hondurans. As long as we hold talks with them, I foresee no problem. To me, dialogue is the best solution. We have a strong and decisive government—a government that enjoys popular support. We sympathize with the various segments of society. We have made strong and harsh decisions, and I do not see why we cannot hold talks after making decisions like that.

We are not maintaining a dogmatic position. We are here to serve the people and this is why we must listen to the people. We do not want pressure used in this dialogue. Some might believe that pressure would make me back down; quite the contrary; I am more willing to back down through dialogue than through pressure.

Callejas on Effects of Economic Measures

PA0306191990 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 19 May 90

["Exclusive" interview with President Rafael Leonardo Callejas by Adolfo Hernandez on 18 May in Tegucigalpa—recorded]

[Text] [Hernandez] Mr. President, can you make an assessment yet of the results of the economic adjustment measures that have been adopted, which were initially repudiated? How would you rate them?

[Callejas] It is difficult to analyze the results of the initial months of the administration in such a brief way. However, there are three major yardsticks to measure the achievements during this first stage of the government.

First, a decision was adopted for structural reorganization and, consistent with that, there was a natural and just protest from the people. However, to a great extent, the people have demonstrated a great tolerance and confidence in that their president is acting according to a historical commitment to set order in the country so we may forge ahead. To me, what is most important is that we have managed to maintain tranquillity in the country even though these were very difficult decisions.

A short time ago I was asked at a forum in San Pedro Sula if we thought that what we were doing is fair. I said that no, it was not fair to the Honduran people. It is not fair for us to have [word indistinct]. Spending 1 billion lempiras over and above the 1989 budget was not fair.

It was not fair to leave the country without petroleum or to no longer producing our basic grains. It is not fair that we do not have medicines or that people have to pay for errors of bad economic policies. But this is how I found the country, and I would be irresponsible with the great trust given to me by the Honduran people if I do not correct the errors. However, there is no doubt that the reordering program has had its problems and its good points. The positive aspects of it are international credibility, the capacity to say right now that we are very close to reaching economic agreements that will allow us to speed the positive flow of dollars starting in June, and an increase in perspectives of the economic sector—banana, sugar, shrimp, lumber, and the possibility of increasing the tourism sector on a midterm basis, because what we have done is make the country competitive. This is the main element in our economic ordering program: that we are able to compete because if we compete, we sell, and if we sell, we grow, and if we grow, we have well-being and prosperity. Logically, there is an element that we did not ever plan would be so complicated—speculation. We were aware that there is an increase in the pricing process because the prices we had were unreal. It is not the same to talk about a price that is apparently controlled and say the LPG costs 14 lempiras when in reality it had a value of 24 lempiras on the black market, and we placed the price at that level. However, what happened with the LPG? Although the price was agreed upon and in concert between the big distributor and the government, there are remote places where there are persons who speculate—an immoral profit—and this has me very concerned. That is why we are propitiating measures of a legislative nature to give the government the ability to confront these problems. On balance, I would say that at this time we have mainly positive elements with regard to the management of public finances. I want to tell Hondurans that up to now, the government has spent 400 million lempiras out of a budget of three billion, representing 13 percent. In 1989, with a budget of one billion, during the same period, 500 million lempiras had been allocated, or 23 percent. This means we are cutting back on public spending to the limit of our capacity because public spending is regular spending and ensures that in the end we will not have a fiscal deficit.

[Hernandez] Are you able to ensure this?

[Callejas] No, because the fiscal deficit is at the five-percent level and we do not expect our measures to ensure the fiscal deficit to exceed this point. My intention is to control spending so that we can decrease this by five percent. However, this is not included in our ordering program. Why? Because the fiscal deficit is the key to inflation. Depending on the amount the government spends, inflation will grow—inopportunely and violently.

All in all, during these first hundred days, I have been able to hold discussions with people and receive their benevolence. They have given me their support, even though they do not like these measures. This is logical. How can a consumer like that I tell him: Look, this program is to shed positive results in 12 to 18 months. He has to go to a gas station today and gasoline prices are increasing today. We are punishing him today to be able to give him a future. This is very difficult. This is very difficult. [repeats himself] This is one of the hardest things for me to do—to convince my fellow countrymen that what we are doing is correct. If the government is able to save, we will generate internal savings that will enable us to invest and grow again.

[Hernandez] Your policies' political adversaries have noted that it is incredible your government has no plans for public investments during 1990. What would be your answer to this criticism?

[Callejas] The government will have public investments, but they are investments we inherited from governments that were in power between 1985 and 1989 and that rendered negative returns; returns of minus 26 percent per year. During these years we only spent money—93 percent of the nation's budget went into regular expenditures. What investment? There were no public or private investments. We are going to make adjustments this year because we believe this is the best option. This will be a year of zero growth. We will have a depressed, restrictive economy of adjustment and many limitations.

In 1991 we will initiate capital investment programs, not [words indistinct] wages according to adjustments that can be made to public sector expenditures. With this, I will be satisfied.

[Hernandez] President Callejas, your enemies also question how you will use all the money your government will receive from the increase in the price of gasoline, taxes, and the five percent surtax on overtime and commissions. That which [words indistinct] a great amount of money is involved and you still have not said what you are going to do with it. They also state that this increase in revenue will have an opposite reaction—an increase in spending.

[Callejas] First, I have to honor the commitments I have inherited. I wish the past government would have left me a 2 billion lempira budget. The commitments signed by previous governments mean a 650 million-lempiras disbursement this year. This has been one of the big problems I have encountered. The law on economic structural order is to give the government approximately 600 million lempiras. We are going to pay our commitments and avoid a 12.6-percent fiscal deficit. Unfortunately, we will have to lower the deficit with income when the most appropriate measure would have been to reduce costs. This is what we will do. I will avoid commitment; I am going to spent less. By accepting that there is going to be a seven-percent fiscal deficit, the government, in real terms, will have savings. These savings will become public or private investments next year because we are going to avoid debts to the Honduran Central Bank as much as possible.

[Hernandez] Mr. President, the economic landscape has been established—that is clear. However, all sectors are demanding something. Workers want a minimum wage, but businessmen disapprove of this because they want a bigger [word indistinct] margin. The pharmaceutical sector wants medicine to be increased by 200 to 300 percent. When you called Hondurans to national dialogue and cooperation we, people who are skeptical, thought that [words indistinct] cooperation because each sector would go to your office with a list of petitions in their briefcases. At this stage, what is your comment on this? Do you believe that some sectors have already made some sacrifices, or is this the struggle you have to start right now?

[Callejas] The country's most important sectors have an enormous will to cooperate. When we talk about wages, we know that we cannot simply adjust it without its meaning a price increase in some article that [word indistinct] without increasing wages. However, in our dialogue with the various sectors, we agreed—and will announce officially later on—that we cannot adjust wages with an ongoing wave of speculation because that would be like adding fuel to the fire. We have to stop speculation, study its effects on the structural economic order, and gradually increase wages so that it fits into the real cost of living. Union members and businessmen agree that actions should be carried out in this manner. On 22 May we will start to join efforts in this direction.

Prices are a secondary consideration. I want to thank the country's important businessmen because some of them have even lost money trying to maintain product prices, such as milk and flour. The problem is not with the big businessmen, but with speculation that has gotten out of hand. This means we have to control it, and the only way to do this is for consumers to make a little sacrifice and go to Banasupro [National Supply Agency for Basic Products] supermarkets. The government will announce prices to be offered once the price advertisement program is initiated. On May 22 or 23, we will announce: These are the prices at the supermarket. This way, consumers are kept informed and the Banasupro prices will be kept stable. Of course, there are many people who do not want to go to Banasupro because they have to stand in line. If they do not like it, they will have to pay a cost, the price of speculation. However, the country's great majority will have stable prices at Banasupro. We are taking these measures, but prices still worry me because they are an element that went beyond what we had planned. We planned on two- to 2.5-percent inflation per month, once the program of structural economic order has begun. However, this percentage was reached and passed. We are concerned because this increase came about because the government has adequate supplies of basic grains, and its silos are filled with corn. How was it that the price of corn increased when the government has corn? This took place because it was not distributed appropriately. Now Banasupro will offer corn at the price established by the Honduran Agriculture Marketing Institute. We are struggling against speculation because we understand that the price problem is most serious.

In medicine, there is a great deal of goodwill. The sector is aware of the government's huge problem. Why? Because we owe medicine providers $40 million. Past governments agreed to pay for medicine at an exchange of two for one, but there were no dollars at two for one. However, providers were ordered to send us the medicine. The providers sent it in good faith and now want to be paid. This is $40 million that does not exist. We took office with a $150 million negative reserve and, in addition, we have to pay $40 million just for medicine. Thus, to be able to receive new medicine supplies, the first step is to pay providers the outstanding amount. All this has an effect on our economy, even though we have reached some agreements on prices with distributors and drug stores and they are they are willing to reduce their utility margins. Some sectors show goodwill and others immorally search for large short-term profits. Once we have appropriately reformed the consumer law, we will be able to act effectively and according to people's interests. We have increased the number of inspectors at the Local Commerce Directorate, but this is not enough. We would also want people to participate at a given time. The media should help us, as well. Sometimes it is not to report the crime on the media, but the directorate should

be informed of these charges so that it can be investigated. When such crimes are presented to the media before the directorate, investigation of the case is not effective.

[Hernandez] The president has reported that he will announce the prices of basic products on 22 or 23 May. We hope you will all await this information. We want to thank the president for distinguishing us with this exclusive interview. Thank you Mr. President and we ask the people to have patience for we will surely go forward.

Commander on Eliminating Military Conscription

PA0506153690 Tegucigalpa LA TRIBUNA in Spanish 31 May 90 p 5

[Text] Armed Forces Commander Arnulfo Cantarero Lopez has rejected the possibility of a coup d'etat arising from the latest confrontations between the National Congress and the Armed Forces. However, he warned that one should not "pull the tiger's tail."

Cantarero thus commented on the controversy that has been created by the bill that was introduced in Congress by Deputy Gustavo Alfaro. The bill calls for compulsory military service to be made voluntary.

He commented on statements by Armed Forces Spokesman Colonel Oscar Flores that recall the 1904 military coup d'etat, and said that that "was history. We are a new Armed Forces with high ideals. We are professionals of humble descent, but we have built careers. We respect laws, but we want to be respected. I would not say that the tiger should be cornered, but that they should not pull the tiger's tail."

"Coups d'etat are the old style. We respect the new government because it resulted from the people's vote and we think it is doing its job. Let us give it time to get started and bring benefits; we should not expect miracles to occur overnight," Cantareto added.

"I think there is a backdrop to this that runs counter to the democracy we have. Knowing what the Armed Forces have been like in the past, what the new generations want, what we are trying to do, and that we are supporting every government campaign to improve our nation, I think the presentation of such a motion by this deputy was an unpatriotic action," Cantarero pointed out.

It seems that, like some deputies—not all, because I respect the honorable National Congress—this deputy is out to get some publicity. "He just pulled something from his sleeve and presented it, and I disagree with the National Congress on this because it has a very capable chairman and a well-meaning board, but some deputies obey only themselves and come up with things that are out of the ordinary."

The military officer declined to say if the motion can be construed to be politically motivated, because it was submitted by a Liberal Party lawmaker. I consider it a mistake to generalize about an institution because of an isolated event. "I cannot say the National Congress is bad just because a deputy has committed some impropriety. This has to be looked into and discussed."

He did not dismiss the possibility that this may be an attempt to destabilize the country. For this reason, the Armed Forces are going to study these developments carefully. The new generations of the Armed Forces are trying to do their best for Honduras and are complying with the central government's orders.

"Let no one misinterpret this. We obey [its orders] because we are subordinates, but we are not tolerant or weak in any sense," the Armed Forces chief pointed out, noting that a new era has begun in this country and that everyone wants to make Honduras follow a better course.

Cantarero asserted that the latest actions against the Armed Forces are a campaign theme. The Armed Forces are under attack now that they are doing their best, and he wondered if what the attackers seek is direct confrontation.

Answering his own question, Cantarero said: "They will not get it just like that. We are professionals, we are qualified to do our job, and we are going to discuss this at a high level. We are not going to become involved in a confrontation with the government or Congress just become someone comes up and pulls something from his sleeve."

Although admitting that the current recruitment system "is archaic" because the country's culture itself makes it so, Cantarero said that it will continue as is because that is what the law says.

"We have laws that protect us and order citizens to render military service." If there is any unhappiness about it, why does the Congress not enact a law to grant some nice incentives to the military to induce citizens to conscientiously render their service and keep us from "having to rope and capture them, as some say?"

Cantarero said that the Armed Forces would like to avoid having to resort to these methods and are working to put recruitment on par with that of most civilized countries.

"Legislating means setting order. We have the will to do so. We have the new law on military recruitment on-line and are working on it. Believe me, we do not like the current method of recruitment, but we must necessarily apply it."

Nicaragua

ONUCA Adviser on Contra Demobilization Process

PA0506154790 Managua Radio Sandino in Spanish 1200 GMT 5 Jun 90

[Text] Dr. Fernando Castanon, political adviser of the UN Observer Group for Central America, ONUCA, has

said that the group is willing to work 24 hours a day to complete the disarmament and demobilization of the contras by 10 June. Castanon said that since 30 May, the disarmament process in all the security zones has reached a daily average of 377 contras. He said this number is viewed positively if one compares it with the numbers from previous weeks. Here is ONUCA political adviser Fernando Castanon:

[Begin recording] [Castanon] A daily average of 377 contras have demobilized since 30 May.

[Reporter] Will the UN secretary general extend the ONUCA's mandate, because as things stand, it is very unlikely that the demobilization process will be finished by 10 June?

[Castanon] Obviously, on the part of the United Nations, this problem will be [words indistinct] what Perez de Cuellar decides. (?I am) not authorized to comment on it.

[Reporter] But [words indistinct] the process will be completed by 10 June and it is very unlikely that this will be so?

[Castanon] I think [words indistinct] so that the demobilization will be completed by 10 June. [end recording]

Contras Allegedly Kill Sandinist Peasant Leader

PA0206211590 Managua Radio Sandino in Spanish 1200 GMT 2 Jun 90

[Text] Another Sandinist peasant leader was murdered at his home on 1 June near La Dalia, Matagalpa. Boanerges Garcia Castro was shot by members of a counterrevolutionary group led by Pinares, a contra leader.

Garcia Castro is the second Sandinist National Liberation Front member to be murdered under similar conditions in less than 72 hours. The murders have created uncertainty and tension among residents of Matagalpa.

Spain Said To Expand Support to Chamorro

PA0206222690 Managua LA PRENSA in Spanish 28 May 90 p 2

[Report by Ana Maria Ruiz]

[Text] Spanish Prime Minister Felipe Gonzalez has expressed his determination to extensively support the new Nicaraguan Government. During a special visit, Nicaraguan Assembly Secretary Alfredo Cesar met with the Spanish prime minister for over two hours at La Moncloa Palace in Madrid. In addition to discussing political issues with Gonzalez, Cesar also conveyed to him a message from President Chamorro. At the meeting with Gonzalez, Cesar requested Spain's support at the upcoming Conference of Donor Countries that will be held in Rome, Italy, on 6 and 7 June.

Gonzalez said that Spain will increase its support to Nicaragua in the future, and he expressed to Cesar his desire to have Spain head a front, along with other countries, to promote more economic cooperation with Nicaragua this year.

Gonzalez left open the possibility of visiting Nicaragua this year so he can head a special mission to direct the Joint Cooperation Commission that already exists between the two countries and to plan and design at the highest levels cooperation for the 1991-1992 period.

Gonzalez told Cesar that he follows with great interest all of the events taking place in Nicaragua. Gonzalez has been one of the rulers at the world level who has been greatly interested in Nicaragua over his long and successful term.

Moreover, Felipe Gonzalez told Alfredo Cesar, I "am in love with Nicaragua. If I would ever consider moving away from Spain, the only country I would take into consideration would be Nicaragua."

EFE journalist Andreu Claret reported that the Spanish Government is promoting dialogue and concerted efforts between the Chamorro Administration and the Nicaraguan political opposition through various initiatives. Among such initiatives, he mentioned a seminar on the transition, which concluded on 23 May. For the first time since Violeta Chamorro took over power on 25 April—and now that tension is growing between the government and the opposition—prominent political adversaries sat down at the same table during the debates last week organized by the Spanish Embassy. Moreover, because of this initiative, Liberal Vice President Virgilio Godoy, considered as the most radical in the government, and Army General Humberto Ortega met during a dinner. Ortega has been temporarily confirmed at his post by Chamorro, despite Godoy's opposition.

Spanish Ambassador Miguel Angel Mazarambroz-Fernandez said "historic experiences are never the same." He justified the organization of the seminar by saying that "the Spanish management-labor understanding could serve as an example."

Editorial Criticizes Government 'Black Lists'

PA0206223590 Managua BARRICADA in Spanish 23 May 90 p 3

[Editorial: "The Black Lists"]

[Text] In the beginning they sent the police out to attack the strikers and came very close to provoking a bloodbath. Because the government failed in its attempt to crush the strikers, they signed an agreement that they violated 48 hours later when the government's steamroller illegally abolished the Civil Service Law. Finally, the government completed its mockery of public employees when it reinstated the Somozist evil custom of drafting "black lists" to unleash its vengeance against the UNE [National Employees Union] leaders.

With this action the government closes the circle of repression, hypocrisy, and lies with which it handled the public employees' strike that ended recently. Platitude conclusion: In this country no one can trust a government that has shown it lacks scruples.

The "black lists" used for the first time on 22 May by the honorable foreign minister, construction and transportation minister, and even the labor minister himself, must embarrass those honest people who exist in the government.

Despite the promises, we are brutally returning to the Somozist days, when the only known treatment for all those who dared protest was reprisal. We are also returning to the days of informers, political favors, and ministerial whims, all of which attack the dignity of the public employee. And, at this pace, the government can only drive the public administration to a stage of certain moral bankruptcy.

A government that, instead of respecting the law, would rather sweep away all the public employees suspected of being Sandinists can only be called irresponsible and provoking. Just as we warned a few days ago, it would seem that this is the only government in the world bent on causing its own destabilization.

Government Suspends Radio Frequency Concessions

PA0206223290 Managua Radio Catolica in Spanish 1130 GMT 31 May 90

[Text] The new Nicaraguan Government has suspended the concession of radio frequencies and licenses to operate radio stations until a new law is prepared. For 11 years the Sandinists eliminated the possibility of opening independent radio stations; however, they granted numerous frequencies to themselves toward the end of their government.

Engineer Pablo Vigil, minister of TELCOR [Nicaraguan Telecommunications & Postal Services Institute], has announced that the government will prepare a new law in about two months. This puts the approval to open new independent radio stations on hold.

Radio Flash, which is being promoted by independent journalists, is on a waiting list. It is waiting for the policy of freedom of expression of the new government to materialize.

Engineer Rainerio Montiel is participating in the technical studies to prepare a new radio frequency law.

The military was in charge of assigning radio frequencies during the Sandinist administration. This explains the negative position adopted by the Radio Frequencies Directorate, given the requests presented by independent radio stations. Radio frequencies were assigned to individuals with ties to former President Daniel Ortega, with the exception of hard-working journalist Julio Armas. The Sandinists assigned themselves 15 radio frequencies. The two military men who were in charge of assigning frequencies were the director of TELCOR, formerly a colonel, and a representative of the EPS [Sandinist People's Army].

TELCOR Minister Engineer Pablo Vigil said that the law will be modified. Independent journalists are still waiting for the new government to restore freedom of expression.

Former Junta Member on Government Mistakes

PA0506040290 Managua Radio Catolica in Spanish 1130 GMT 29 May 90

[Text] Moises Hassan, a convinced and proven revolutionary, feels that President Violeta Chamorro must make changes in the military commands if Nicaragua is to have stability. Hassan, who is the foremost Sandinist dissident, would be willing to accept the post of government minister in Chamorro's administration. He said this during the roundtable of this station's "Iglesia" [Church] newscast.

Hassan feels that his knowledge of the Sandinist military echelons give him an objective advantage to become chief of the military. He was this Monday's guest on the Radio Catolica's "Iglesia" newscast, which is regarded as the most important radio forum in Nicaragua. You will now listen to Hassan, who is a former member of the government junta and a deputy for the MUR [Movement of Revolutionary Unity]:

[Begin Hassan recording, in progress] I will now answer the question from the second listener. In my opinion, one of the essential mistakes the Chamorro government has made is to leave virtually all of the main military commanders in their posts after 25 April.

I am not saying this because of what some people refer to as revengefulness, or any such thing, because I justify my opinion with arguments. I feel that the retention of the military commanders—particularly Humberto Ortega, the Army commander in chief—has been a tremendous source of instability. I am in complete disagreement with those who argue that the presence of these same military commanders—Ortega and the others—is necessarily a source of stability. In my opinion, I feel the exact opposite—that they have become a source of instability.

The reasons are the following: First, the presence of those commanders produces a confrontational effect on the two sides I have mentioned—the opposition to the former Sandinist government and the militants, or members, of the Sandinist Front. On the one hand, the most bellicose, warmongering, and irresponsible sectors in the Sandinist Front feel very happy and emboldened by the presence of the military commanders and interpret this as a great weakness on the part of the incumbent government. In addition, this has led them to engage in confrontations. A short time ago a confrontation took place in an (?institution), and some sectors realized then that this matter of governing from below was true and not just talk.

Moreover, this is also present in the minds of the military commanders who are still in command of the weapons (?and) among Sandinist Front sympathizers or opponents. However, there was a confrontational effect because the general feeling among these sectors is that they voted for the UNO [National Opposition Union] to replace the Sandinist Front, and it just so happens that not many things are changing. They feel a sort of frustration, and this reinforces the spirit of confrontation. So this is an essential source of instability.

Furthermore, if one looks at the problem of the contras, or counterrevolution, [words indistinct]. In other words, the people—those who voted for the Sandinists and for the UNO and other parties—clearly felt that if the contras ever had any reason to exist, they no longer had it and that it was necessary for peace to arrive. However, it so happens that with the decision—which was ill-advised, in my opinion—not to remove the leading military commanders, the contras then began to... [changes thought] The counterrevolution was provided with a perfect excuse not to disarm and not to demobilize. The excuse is perfect. In addition, and worse still, by giving them the excuse, it so happens that they can even get (?the best of things for themselves). In other words, they can look for... [changes thought] Worse still, I think this restored to the contras a social base they had lost, and many people—because the commanders have stayed in the Army [words indistinct] in power—have simply said that the counterrevolution is right. If the Army remains exactly as it was, why should the contras demobilize? They are right. So this restored to the contras their social base and their reason to exist in the eyes of many citizens.

This has been a tremendous source of instability, and it undoubtedly continues and will continue to exist. So, (?there have been developments) within the purview of the Interior Ministry that demonstrate at least an attitude which is not quite clear on the part of persons in their individual capacity. However, [word indistinct] the police dare suggest that they are not correct actions. Therefore, I think that the lady [words indistinct] that there has been instability and confrontations. There have been extremely complicated situations, and the warmongering elements both within the Sandinist Front and the contras, as well as other organizations, have provided excuses for war and continue committing acts against one another, and, above all, to create instability, which is not beneficial to the country, and to maintain the possibility of war, which also does not benefit the country.

The instability has economic consequences [words indistinct] we Nicaraguans continue working and trying to find ways to reconstruct and to cure the wounds we have received throughout the years—15 years perhaps, since the struggle against Somoza and the new stage of the Sandinist government. We must cure those wounds. We are still in a process which, I would say, is [words indistinct], and which may lead us to poverty, catastrophe, destruction, and death. [end recording]

Comparison of Government, RN Protocol

PA0206211790

The Managua newspaper LA PRENSA in Spanish on 30 May carries on page 2 the text of the disarmament protocol signed in Managua on 30 May by Violeta Chamorro for the Nicaraguan Government; Israel Galeano, alias "Commander Franklin," for the Nicaraguan Resistance; and Cardinal Miguel Obando y Bravo.

The LA PRENSA version has been compared with the referent Managua Radio Catolica version of the document as read by Cardinal Obando y Bravo published in the 31 May Latin America DAILY REPORT, pages 14-15 and found to be identical except for the following variations:

Page 14, column one, paragraph six, sentence one reads: A. Immediately transfer the seriously ill and war-disabled to Managua for special treatment. (supplying variant wording)

Page 15, column one, paragraph one, sentence two reads: To this effect, the RN pledges to demobilize a minimum of 100 fighters a day in each zone, effective on this date. (supplying variant number)

Panama

Endara Congratulates Bush, Gorbachev on Summit

PA0506194290 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Jun 90 pp A-1, A-2

[Texts of messages sent by President Guillermo Endara to U.S. President George Bush and Soviet President Mikhail Gorbachev on 4 June in Panama City]

[Text]

Message to U.S. President George Bush

The summit meeting in Washington and at Camp David creates new hope for a stable and peaceful world where man's creativity and genius can be used to achieve the welfare and progress of our peoples. With the end of the cold war and a renewed relationship between the superpowers, the world feels the fresh air of major change that foretells a new era in international relations. Regardless of the fact that some issues remain to be solved, such as the independence of the Lithuanian people, the role of a unified Germany, or the rights of the Palestinian and Israeli people, it is important that the process of negotiation announced in Malta has begun on steady ground and will turn into a permanent process to achieve mutual understanding and greater rapprochement tomorrow and always.

On behalf of the Panamanian people and government, please accept our recognition of your foresight and attitude of a true statesman who grasped with intelligence and sound judgment the historic moment that not

only the United States and the Soviet Union, but all the nations of all continents, are experiencing.

Panama hopes to hold an honorable and effective position in the world that is being built, and you and the U.S. people may count on our support and goodwill.

Message to Soviet President Gorbachev

With joy and renewed hope we have witnessed the momentous meeting between you and U.S. President Bush. The political and economic opening taking place in the USSR under your leadership, together with the change in the direction of its international relations, foretell better days for all the nations of the world. The Panamanian people feel great admiration for the policy of open and frank dialogue as a means to solve differences, dispel doubts, promote rapprochement, and build a stable and peaceful world.

We are living in an era of changes that not long ago were inconceivable. The challenge ahead for today's leaders is to have the ability to overcome all dangers and obstacles to lead, in the long run, their peoples with a steady hand toward more enriching and satisfactory lives. May the atmosphere in Malta and Washington continue for the good of humankind and the unending credit of the leaders of today.

ODCA's Chavez: U.S. Should Compensate Country

PA0506014590 Hamburg DPA in Spanish 2054 GMT 31 May 90

[Text] Panama City, 31 May (DPA)—Fidel Chavez, former Salvadoran foreign minister and Christian Democratic Organization of America (ODCA) president, stated today in Panama City that the United States has the moral obligation to compensate and consistently provide aid to Panama.

"Theoretically, international law establishes that damages caused by military action must be compensated. Therefore, Washington must indemnify Panama for the actions of its troops on 20 December 1989," said Chavez.

Chavez, who arrived in Panama City today, said that the purpose of his visit is to express ODCA's support for the Panamanian Christian Democratic Party and solidarity with the democratic movement in this country.

Fidel Chavez said that one can breathe democracy and respect for human rights in Panama. He also said that, although internationally there are some reservations about the current government, acts such as the intended referendum to approve constitutional reforms are being carried out.

He also called on all countries to overcome certain anti-Panamanian attitudes and support the consolidation of democracy in this country.

The former Salvadoran foreign minister said that there was enthusiasm in Central America to [words indistinct] and also for President Guillermo Endara's decision to enter the regional dialogue.

The ODCA president believes that Washington should act justly in the cases of Nicaragua and Panama and should not believe that what it is offering these two nations are "donations."

Regarding El Salvador, he stated that an agenda has already been prepared by the FMLN [Farabundo Marti National Liberation Front] and the political parties to attain peace in the area.

The topics that are to be debated are demilitarization, the Armed Forces' new role, changes in the electoral system, and legal and constitutional reforms. The last point to be debated will be the integration of the FMLN as a political party in El Salvador.

PRD Communique on U.S. Troop Withdrawal

PA0506005190 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Jun 90 pp A- 10, A-12

[Communique issued by the National Executive Committee of the Democratic Revolutionary Party in Panama City; date not given]

[Text] The active members of the Democratic Revolutionary Party [PRD]—who gathered after the criminal invasion of Panama that resulted in thousands of casualties, the destruction of property, and the dismissal of over 18,000 public workers and that was the most brutal act of political persecution and judicial terrorism—state the following to the country:

The most pressing and urgent need of society and the most important responsibility of all Panamanians is to vigorously demand the complete withdrawal of the invading U.S. Army that is occupying Panama. With imperialist disregard for international law, the United States has invaded and attacked Panama with genocidal brutality. The United States—with the consent of some national groups—occupied the entire country using techniques and tactics that exceeded the U.S. determination to subdue the Panamanian Government and obtain concessions to exercise its foreign policy of hegemonic domination in the American hemisphere.

As a first step, this all-out effort of the Panamanian people requires a rejection of the violent U.S. invasion of Panama and the subsequent establishment of a permanent occupation of U.S. military and civilian forces throughout the country and government offices. The fact that the U.S. presence is less visible now does not change the nature of the occupation.

The colonial occupation should be vigorously and strongly denounced by Panama in international forums and international solidarity and peace organizations that

practice the principle of nonintervention in the internal affairs of other countries and that support the peaceful settlement of conflicts.

National dignity demands an end to the invasion and occupation of Panama; this should be the country's number one priority. The invasion and subsequent occupation of Panama compel us to denounce the current government as illegitimate because it is exercising political power and representing Panama after being installed by the U.S. Government on a military base, where Panamanian officials were sworn in.

The de facto government installed on the military base of a foreign occupying Army lacks legitimacy. It should immediately be replaced by a provisional government of consensus formed by all ideologies and labor forces, as well as all political forces. Such a government should first call for new elections to legitimize itself freely without any colonial intervention. This will provide the country with a constitutional instrument that will reflect political pluralism and a consensus.

The demand for the establishment of a provisional government and a constitutional structure to be adopted by consensus in Panama implies that the PRD bluntly rejects the proposed constitutional "reforms." The contents of such reforms are very poor. They are offensive because they adversely affect the right of all Panamanians to defend the country in the face of an attack. They also represent the conservative desire to return to the elitist type of government that existed before the 1968 revolutionary process. The serious and submissive character of the constitutional reforms and the concessions they offer cannot disguise their deceitful purpose: To hold a plebiscite to legitimize a government imposed, supported, and defended by an army of occupation that refuses to abandon its colonial intentions in Panama and Latin America.

It is obvious that the armed intervention and military occupation is the illegitimate avenue that the colonial power intends to use to turn our country into a place for hemispheric domination. The inevitable consequence of such colonialism is the canal treaties' formal abrogation—a determining factor in the invasion and occupation. These treaties are actually violated daily by the occupation army. That is the purpose of the systematic elimination of all the institutions that were created to maintain the tradition of transit and international commerce promoted by the treaties for the benefit of all states, and which keep the Torrijos-Carter Treaties current and effective. For this reason, the PRD demands respect for the Torrijos-Carter Treaties and, as a necessary consequence, it demands a foreign policy that will not respond to the orders of any imperial state, but which will exclusively reflect the interests of Panama. A democratic government must be participative and pluralistic. It should include representatives of all tendencies and ideologies existing within the nation, and they should be encouraged to express their views. Hence, a national restructuring should begin by respecting pluralism and promoting, instead of annulling, social participation when making decisions that affect society as a whole. Therefore, the PRD demands the preparation, by consensus, of a short- and medium-term social and economic plan that should at least include:

A. The nation's economic model and its main aspects.

B. The defense of labor benefits and rights, including the right to associate, the right to make collective contracts, and the right to strike; as well as all the improvements made through the Labor Code, which cannot be annulled or diminished.

C. A housing policy that provides broad social benefits and that includes laws on rent control.

D. An agricultural production program carried out by agricultural firms and organizations. It should promote the development of peasant settlements within the agricultural sector.

E. The privatization of some public enterprises that are not strategic for national development and that require unreasonable subsidies for their operation. However, this must be carefully studied, and a national consensus should be sought that should exclude strategic enterprises, particularly those that provide essential public services in the areas of electricity, telecommunications, and water supply, as well as those related to the maintenance and improvement of health and social security.

F. Public employees should have a statute that specifically regulates their rights and also clearly defines their duties. The statute should provide the institutional channels to protect those rights. It should develop the constitutional right of job stability under conditions of loyalty, morality, and efficiency. This should be accomplished by enacting an Administrative Career Law that should also include the public servants' right to association. The policy of indiscriminate and mass dismissals of public servants for political reasons should be discontinued.

G. Education should be modernized, and there should be legal instruments to promote education and culture. At the university level, measures to ensure respect for the university's autonomy should be maintained and strengthened, with no exceptions or limitations.

The political participation of all parties should be guaranteed, and dissent—an essential aspect of democratic political and social coexistence—should not be restricted. Within that context, judicial terrorism, intimidation, and persecution of PRD members and leaders as a political weapon should be stopped in order to permit the full exercise of political rights eroded by the systematic persecution that PRD members have been subject to.

The reconstruction and reconciliation rhetorically offered should be substituted, admitting the impossibility of conducting political persecution under the disguise of criminal charges that irresponsibly foster judicial terrorism. Toward that end, a general amnesty law must be promoted to guarantee peace and harmony and to pave the way for real national reconciliation, consensus, and peace.

[Signed] National Executive Committee
Political Commission
National Secretariat
Legislative Bloc
Provincial Presidents
Area Presidents

Central American Human Rights Commission Rebuked

PA3105193490 Panama City LA PRENSA in Spanish 28 May 90 p 1-A

["As of Today" column]

[Text] During a forum devoted to studying the "invasion of Panama," the Central American Commission for the Defense of Human Rights called the United States a "violator of the Panamanian people's self-determination and sovereignty." The only way to sustain such an strange idea is to start from the premise that Noriega and his regime were the product of the Panamanian people's will and thus the true expression of sovereign power. As an organization that claims to be a defender of human rights in Central America should know, this is completely false. Noriega and his accomplices curbed all liberties in Panama, particularly the people's right to choose and be chosen. Without this right, it is pointless to talk about self-determination. The different governments that were imposed and deposed after the 1968 coup d'etat represented nothing more than the will of the general in power, and those governments only exercised power with his endorsement.

Panama was a state brutally subjugated by the Defense Forces, the former National Guard, which is why the majority of Panamanians viewed the U.S. armed operation as a liberation rather than an intervention. Those who insist on interpreting the facts in any other manner either reveal their total ignorance of the tragic Panamanian reality or are intentionally distorting the facts by viewing them through archaic ideological Manichaeisms that dynamic history has condemned to disappear.

Supreme Court Rules on Legality of Suspension

PA0506173790 Panama City Radio KW Continente in Spanish 1200 GMT 3 Jun 90

[Report by news director Homero Londono]

[Excerpt] The Supreme Court of Justice reached a decision on the case related to the suspension of Rodrigo Miranda Morales by the nation's attorney general, ruling that Miranda's suspension was legal. The concluding portion of the Supreme Court's ruling indicates:

Taking all these considerations into account, it is evident that the attorney general's resolution separating Special Prosecutor Rodrigo Miranda from his post does not violate any of the three constitutional articles invoked by the plaintiff. It is even more evident if we bear in mind that the special prosecutor, who was sanctioned, is not even a permanent, much less a career official. He is an ad hoc prosecutor assigned to one specific case, who, nevertheless, allowed himself to act on another case that had not been assigned to him.

Because of these considerations, the plenary of the Supreme Court of Justice, administering justice in the name of the Republic and by authority of the law, rejects the appeal presented against the measure taken by the attorney general on 8 May to separate Special Prosecutor Rodrigo Miranda Morales from his post.

KW Continente friends, I also advise you that Magistrates Edgardo Molino Mola, Aura Guerra de Villalaz, and Fabian Echevers abstained from voting in this case. [passage omitted on legal explanation for vote abstentions]

Argentina

Menem Urges Nations To Change Rules on Trade

PY0406132090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1650 GMT 2 Jun 90

[Text] Kuala Lumpur, 2 Jun (NA)—President Carlos Menem today called for substantial changes in the rules on international trade, changes that would allow developing countries to grow. Menem also said that nations must first "put their domestic accounts in order."

Menem made a clear call for improved relations between developing countries and the industrialized world. He said: "International trade will probably improve if nations like ours strive to settle our internal accounts."

Menem made an impromptu speech during a working session of the Group of 15. The president said the present international trade order was "perverse" because "it is not balanced and because Argentina, like many other countries, is linked to the system."

Menem also talked about the foreign debt and its direct link with the development of debtor countries. The president also said that our countries need to make a conscientious effort to put our domestic accounts in order.

"We are implementing a thorough internal reorganization in Argentina," Menem said. Regarding the productive revolution the president said: "It simply means that producers must benefit from their work."

Menem said: "We need a new international trade order, but first we must put our own house in order."

Menem's remarks are important because the country is now fully involved in negotiating its foreign debt.

"Our government is involved in settling our internal accounts because we believe that in doing so we can obtain better results in our foreign debt negotiation," the president stressed.

"Argentina has all kinds of resources and a huge foreign debt. Argentines are to blame for much of this debt because they have not properly exploited the country's potential."

Regarding the debt, Menem said that the country cannot pay it without investments and development, and that both things depend on freedom of trade.

Menem said that "Argentina has long been affected by trade barriers, protectionism, import duties, and other trade obstacles. The same industrialized countries that demand respect for contracted commitments are the first ones to erect barriers against our products in their markets."

Menem emphasized that "we will respect" our international commitments but we ask "that we be allowed to sell our products."

Menem insisted that "instead of being afraid of the debt we must try to change the international trade order which hinders our economic recovery."

Menem's words were received with surprise by the other members of the Group of 15 as all of them have been insisting on the traditional approach used by nonaligned countries.

According to observers, Menem has shifted away from the group's viewpoint and has demanded not only an improved international trade order but also that the Group examine itself, seeking to put each country's domestic accounts in order as a starting point for future growth.

Bonnet on Antidrug Fight, Armed Forces Role

PY0406192590 Buenos Aires DYN in Spanish 1638 GMT 2 Jun 90

[Text] Mendoza, 2 Jun (DYN)—Army Commander General Martin Bonnet today reiterated the Armed Forces' full subordination to the president elected by popular will. He said that only society's recognition of the circumstances that led to the antiterrorist struggle in the past decade "will safeguard the Republic from the greatest harm and give to those who gave everything for the fatherland the place they deserve."

Bonnet today delivered a speech to mark Army Day at a ceremony in Cerro de la Gloria, in this provincial capital. He harshly criticized those who, "blinded by their resentments, cannot see that the serenity of the spirit and dispassionate judgment will heal the wounds that our human mistakes probably caused."

Bonnet particularly criticized the controversy over methods of fighting terrorism and said that military society is today "facing the consequences of having prevented Argentina from being turned into a desolate land."

Bonnet clearly alluded to the possibility that the Armed Forces could be used in the antidrug struggle, saying that the Army "is not seeking to take actions or to assume responsibilities that are not under its jurisdiction." He clarified, however, that the Army and the other branches "will fulfill the mission entrusted to them by their commander in chief," the president of the Republic.

Bonnet also warned those "disguised enemies of the institutions of the Republic who are sneakily seeking to prevent us from fulfilling our objectives." He said that these people "seek to misinform, create false opinions, distort reality, or submit the institutions to false and inadmissible comparisons that lead to worthless confrontations, as their roles and places are well-established in the Constitution."

Bonnet's statements seemed to be aimed at recent press reports about disagreements between the police and the Armed Forces over the latter's involvement in activities that fall under police jurisdiction, such as the antidrug

struggle. Bonnet said: "The Army is not seeking to take action or to assume responsibilities that are not under its jurisdiction." He noted, however, that it is up to the president to make the final decision.

Bonnet spoke before a large group of authorities headed by acting President Eduardo Duhalde, who last week disagreed with Bonnet over whether there is a need to improve the image of the antidrug struggle.

Bonnet's position was established and made public in a 29 March cable addressed to the Army. Bonnet spelled out his views on the matter more directly. Duhalde refused to discuss more details on the disagreement with journalists.

In his speech, Bonnet outlined the work achieved by the Army in Argentina since 1810. He described the battles for independence, the freedom granted to Chile and Peru, the efforts and development of the basic industries in the 1940's, the antiterrorism struggle, and the Malvinas War as outstanding events in the history of the Army.

Bonnet, however, was especially careful not to mention the 1978 events in which Argentina and Chile almost went to war because of a border dispute over the Beagle Channel. This action has been always considered as exemplary because of the reaffirmation and consolidation of the Army in Patagonia.

The Army Day celebration ended with a parade on the Mendoza streets with the participation of a Chilean military delegation, the first in two decades, and the Chilean ambassador to Argentina.

Interior Ministry on Allegations of Police Abuse

PY0506223490 Buenos Aires BUENOS AIRES HERALD in English 5 Jun 90 p 1

[Text] (NA-DYN)—Interior Minister Julio Mera Figueroa yesterday declined to accept the resignation of the head of the Federal Police, Jorge Luis Passero, after consulting with President Carlos Menem over the phone.

Passero offered his resignation after a furor arose over the suspected existence of a group within the Federal Police force pursuing a campaign of intimidation against judges and deputies.

In the last few days a wave of complaints have been lodged with the police over attacks on public officials, and numerous cases of phone-tapping have also been reported.

Having admitted that there was "considerable anxiety" over the complaints, Mera Figueroa stated that despite the difficulty of the economic situation the country was facing, Argentina was among the safest countries in the world.

But the Interior Minister did confess that the government is "very concerned" about the situation and remains committed to fighting against these acts of corruption "with full vigour."

After pledging to personally launch an investigation, Mera Figueroa announced that he would gather together all the victims of these alleged cases of police abuse, to collect enough information "to get to the bottom of this question and see who is responsible."

Government Accepts Loans From Italy, France

PY0306230490 Buenos Aires BUENOS AIRES HERALD in English 3 Jun 90 p 1

[Text] (NA-DYN) The government decided to accept a $135 million credit line from Italy, of which $82 million will be handed over right away and the remaining $53 million will be contracted without conditions from bidder companies.

Moreover, the authorities also accepted a $60 million dollar loan from the French government to be used to digitalize the radio network link-up and fibre optic leads in Cordoba, Buenos Aires and the Greater Buenos Aires area, without including switchboards.

The announcement was made by ENTel [National Telecommunications Enterprise] telephone company trustee Maria Julia Alsogaray following a lengthy meeting with Public Works and Services Minister Roberto Dromi, Communications Under Secretary Raul Otero and the Italian operators.

Alsogaray said also that other contracts were signed with national companies which nearly amount to $65 million.

In separate statements, Alsogaray admitted that telephone rates will shortly go up "by less than 25 percent." She did not say when the hike would be enforced.

Italians Not To Receive Capital Phone Contracts

PY0106122690 Buenos Aires BUENOS AIRES HERALD in English 31 May 90 pp 1, 3

[Text] (NA-DYN)—Public Works [and Services] Minister Roberto Dromi confirmed yesterday that Italian firms would not be allocated contracts to install the Digi-2 telephone system after six groups vying for the purchase of ENTel [National Telecommunications Enterprise] threatened to pull out.

After lengthy talks with the companies involved and with ENTel trustee Maria Julia Alsogaray throughout Tuesday [29 May], Dromi approached the Italian Ambassador Ludovico di Camerana to tell him that only 60 percent of the 135 million dollar credit line provided by the Italian government could be used by Italian firms.

"Argentina warmly accepts Italy's generous credit," he said yesterday, "but we must iform them that for now, only 25 days from the adjudication (of ENTel's purchaser), we must say no."

The change, he said, was prompted by the threat of six of the seven bidding groups to withdraw from the race and means that Italian firms Italtel and Telettra will now receive only $85 million, awarded to ENTel's purchasers to use as they see fit but employing local suppliers.

There was no immediate reaction from di Camerana but he is thought to have transmitted Dromi's statements to the Italian government.

Maria Julia Alsogaray defended the government's move saying that the intial deal imposed "technological conditioning" on the eventual purchasers.

She added that she had personally ensured that the Buenos Aires district remained "untouchable" from the credit because "while it will be the most profitable area, it is also the most problematic."

"That's why anything that has to be done in that zone must be done by the buyers themselves," she asserted.

Alsogaray's general policies in the ENTel sell-off, meanwhile, were slammed by former Public Works Minister Rodolfo Terragno who said that President Carlos Menem's privatization intentions on both ENTel and Aerolineas Argentinas involved "looking for a master rather than a partner for the country."

International Creditor Banks To Receive Payment

PY0106142690 Buenos Aires CLARIN in Spanish 31 May 90 pp 18, 19

[Text] Argentina has modified its intransigent attitude concerning foreign banks and is willing to pay $70 million in the very near future in order to initiate negotiations with foreign debt creditors. This decision has just been made by the economic team and the Creditor Committee will be notified within one week, during the talks that Central Bank Vice President Javier Gonzalez Fraga will hold in New York.

The disbursement practically duplicates what was to be paid initially—approximately $37 million—and it will be included in a packet of commitments that the Economy Ministry will adopt during the rest of this year. In principle the intention is to presumably repeat the $70 million disbursement in the following two months and then increase the remittances to the creditor banks. Consequently, in less than three months the country will have paid approximately $210 million to the bankers.

The decision presumably implies a first payment as soon as possible as a good will gesture toward the bankers when the first formal negotiations with the banks takes place on 7 June.

The first disbursement will be made almost immediately, although for political reasons the government will try to include it in a plan of disbursements over a period of months in order to smooth over the change of attitude from Antonio Erman Gonzalez' initial intransigence. At any rate, the banks want more.

The blander position toward the creditor banks was adopted as a consequence of the initial failure of Argentina's proposal during economist Gonzalez Fraga's last trip. Last week the Central Bank vice president told the banks that Argentina was not willing to make any disbursements and that it would only review its position if the bankers would accept to negotiate a broad packet to cancel the foreign debt.

The bankers were highly annoyed by Gonzalez Fraga's position and this caused the Central Bank to change its attitude regarding the disbursements. Even so, banking sources last night insisted that the creditors next week will demand a larger disbursement from Argentina amounting to $100 million.

The topic has not been closed because there are some doubts about the final position, even in the Economy Ministry, to such an extent that the Central Bank's vice president hedged about going to the United States. In order not to face a tense situation, Gonzalez Fraga in the first instance recommended that Daniel Marx, the financial delegate in New York, should participate in the meeting with the banks; so far this has not been rejected.

The decision to pay implies that no later than the middle of June Argentina will renew the disbursements, which were suspended by the Radical government in April 1988, to the coffers of the banks.

Since that time, the accumulated delayed payments amount to $5.8 billion. Moreover, obligations with international credit organizations were paid promptly and a deal was made with the Paris Club.

Commission for Foreign Debt Strategy Created

PY0206202290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2301 GMT 1 Jun 90

[Text] Buenos Aires, 1 Jun (NA)—President Carlos Menem will head the commission for foreign debt strategy. The commission will be in charge of "analyzing the major guidelines in the negotiations" with creditors.

So stated Decree No. 1,021 released today, which designates Economy Minister Antonio Erman Gonzalez as coordinator of the commission.

The commission also includes Senator Eduardo Menem, Foreign Minister Domingo Cavallo, Central Bank Vice President Javier Gonzalez Fraga; Economy Under Secretary Carlos Carballo, Deputy Jose Luis Manzano, and Presidential Adviser Alvaro Alsogaray.

Commission To Study Satellite System Possibility

PY0606022290 Buenos Aires TELAM in Spanish 0106 GMT 2 Jun 90

[Text] Buenos Aires, 1 Jun (TELAM)—Under Secretary of Communications Raul Otero has ordered the creation of a special commission to study the possibility of making an offer at the national and international level

for the provision, operation, and exploitation by third parties of a multipurpose national satellite communications system. The commission, which is headed by Engineer Ricardo Goytea, has 90 days to decide on the possibility of the project.

One of the commission's priorities is to contact communications organizations and specialists from the state and private sectors to hear opinions and advice and to enlist cooperation on the subject.

Delivery of Uranium Export To Iran Authorized

PY0306232290 Buenos Aires BUENOS AIRES HERALD in English 3 Jun 90 p 11

[Text] According to decree 855/90, the National Atomic Energy Commision has authorized the export of a 20-kg quantity of uranium to Iran.

* Alfonsin's Decline, CGT Problems Analyzed

90SM0060B Buenos Aires LA PRENSA in Spanish 12 Apr 90 p 9

[Commentary by Carlos Manuel Acuna]

[Text] The shocking result of the Peruvian election, as a candidate who was unknown a month ago may win in the second round, adds a new twist to the public's rejection of traditional political leaders or leaders backed by groups that are so recognized.

We can say, by and large, that what Peru is seeing is a process that is still moving forward rather slowly on the various institutional fronts. It is a direct consequence of the failures of and loss of outside support for the more belligerent left wing and even the other varieties of the left, which disguise themselves under other names and acronyms.

In short, the decline of communism in the world, or rather, the decline of the communism that we have hitherto known, has also had an impact on the branches of this international organization. Thus, the terms of reference for these movements and representative structures that are not Marxist have also changed. Hence, we ought to repeat what we said some time ago, to the effect that the right will also have to review what it stands for and its guidelines for doing political battle.

Two Rightist Currents

For now we tend to think that in light of these developments there are definite indications that while leftist options decline (to a large extent this also means Social Democracy, which will have to revamp its ties to and, in many cases, its acknowledged dependence on Moscow), two major factions have begun to form on the right. One, in a more classical liberal mold, seeks to become part of a continentwide process, and its preferred field of action is the economy. The other is more conservative and prefers to define itself as nationalist and in quest of more grassroots components.

Today, with the second round of balloting in Peru just a few days off, this seems to be the panorama that has begun to take shape there, but not without some surprises. Vargas Llosa belongs to the former faction, and Fujimori to the latter, even though he is the first-generation son of Asian immigrants. If we were to carry over these specific details to Argentina, we could find certain similarities above and beyond the forms that they have taken in Peru. It bears acknowledging, however, that it is still too early to make predictions. Still, this does not prevent us from reflecting on the specific prospects that could emerge in our midst in 1991, when governors and congressional representatives are elected. If we go by the developments that seem to be taking place in the party machines, the two largest groups (Peronism and Radicalism) will be entering the fray with prior agreements that have one fundamental feature: The two are ignorant of the citizenry's opposition to understandings between parties and do not recognize the widening divorce between public opinion and the political classes.

There is much water under the bridge, of course, but the fact is that our previous assertion is acquiring increasing and undeniable validity. Therefore, the political future of one of the parties, the party now in power, will depend exclusively on its success or failure from now until the next elections. It is public knowledge, meanwhile, that seeds are sprouting around new political options that are arising from the dead bodies of the various leftist groups.

Alfonsin Does Not Understand His Own Situation

Within this picture the unsuccessful former president, Raul Ricardo Alfonsin, does not seem to understand that new features have entered a still incipient political scene, and his ideology remains unshaken by the changes.

Nonetheless, he was sensitive enough to perceive that his recent European junket did not have the impact that he had expected and that above and beyond the oratory and the pro-forma rhetoric that surrounds certain events and ceremonies, which were organized thanks to efficient public-relations work, Europeans do not see him as the stalwart democratic hero that his own propaganda has portrayed him as.

This, of course, dampened the spirits of the man from Chascomus, who in his characteristic innocence could not resign himself to accept these truths (and he still seems unable to). In fact, he felt insulted when the Russians told him that their highest authorities (Gorbachev and the foreign minister) were not at all interested in receiving him and that he had to settle for a seat in a round-table discussion with former presidents, alongside Moon from Korea, the leader of the sect that bears his name.

Those who know Alfonsin say that he is still astonished by what is happening. To this we must add his removal from the center of the talks aimed at hammering out an accord between his party and the Justicialist Party. These talks are part of a complex mosaic of pressures, such as those that the Americans are exerting in their

desire to see some sort of pact between the two parties as a condition for providing certain economic assistance, which has obviously been long postponed.

Jaroslavsky and Internal Decay

Given this state of affairs, a crestfallen and woebegone Alfonsin, "having seen better days" as some would say, his sad quarter of an hour over, has begun a countdown. To make matters worse, several other recent developments have shown him even more palpably what is happening. Thus, his trusted colleague in the bloc of national deputies, Naum Cesar Jaroslavsky, has lost some standing and can no longer speak with his previous influence on behalf of the man who as president of the Republic had to leave power too early in light of the chaotic and intolerable situation that his administration had caused.

As we know, several internal factions, from the moderate Angeloz backers to the avant-garde leftists like Storani and Caputo, feel that Jaroslavsky's cycle is over and that he ought to resign. Moreover, the fact is that the controversial man from Entre Rios is having some health problems (they are not at all serious, though). But perhaps what is most important here is not just that Alfonsin has begun to lose political presence. Rather, behind the misunderstandings and the failure to agree on a potential successor to Naum, there is a deeper crisis that will surely have more of an impact on the near future. The Radical Party is falling apart; it seems unable to get its bearings, to define, project, and modernize itself in a changing world marked by complexities that ideology does not allow one to perceive in all their magnitude.

This issue warrants further analysis, of course. For the time being, however, we will focus on these symptoms, which are telling enough for us to say that the long-time group that Leandro Alem founded will be buffeted by winds so strong that they may even uproot the understandings between Antonio Cafiero and Leopoldo Moreau to reform the constitution of Buenos Aires Province. This has been too hotly debated and criticized to become another issue for intense discussion that could even upset the chances for an understanding (a negotiation, to be more exact) with a view towards the gubernatorial elections next year.

Possible Solution to CGT [General Confederation of Labor] Crisis

In another vein, we can say that there are definite signs that an agreement is possible for mending the split in the CGT. Such an agreement would be the result of confidential negotiations that have hinged on the Casa Rosada. The president will reportedly be traveling this Saturday to Mar del Plata to attend a meeting consisting exclusively of him; oil union leader Diego Ibanez; Lesio Romero, from the meatpackers union, the current secretary of the INOS [National Institute of Social Projects]; Luis Barrionuevo, and of course, metalworkers union leader Lorenzo Miguel.

The terms of the agreement, which would leave Saul Ubaldini out in the cold, seem to call for the incorporation of the trade unions that make up Andreoni's CGT into Miguel's 62 Organizations; Andreoni would also occupy an office in the Azopardo building, given the broad constituency that he would acquire. If this were to happen, Ubaldini would be left with almost no support. Among his remaining backers would be Victor de Genaro, who was hurt by the minor impact of the union march in recent days, and the Pedraza railway workers, whose strike has further discredited them in the public's eyes.

In any event, it is clear that the pendulum of success and failure is now swinging in the administration's favor on minor, immediate issues. We will have to wait and see, however, how the economic drama evolves, because it cannot be placed in this category.

* 70,000 Public-Sector Workers Retired

90SM0060A Buenos Aires LA PRENSA in Spanish 17 Apr 90 p 1

[Text] About 70,000 or 80,000 public-sector workers out of a total of 3 million will be officially retired as of the end of this month, in compliance with government streamlining measures, the minister of public works and services, Roberto Dromi, indicated yesterday.

Dromi explained that the administration would thus be complying with Decree 435 of last March and Decree 612, which complements it.

In radio remarks Dromi specified that the purpose of the streamlining is so that "employees who are in a position to retire can receive their pensions and retire early."

He indicated that "exceptions to the rule are going to be extremely rare, only those cases of services that are indispensable to the government or to the community."

In this connection he added that "another of the guidelines contained in the measure, which is the backbone of this temporary decree in the current economic emergency, has to do with exceptions to the conflict of interest rules for physicians and teachers, who will be allowed to hold two jobs."

Other Retirements

The administration ordered that civil servants who are in a position to retire must do so before the end of April and that those who are less than 2 years away from retirement age stop working, although they will continue to receive their pay until their pension kicks in.

The law also provides that within 15 days all personnel in the central government and in all entities and agencies of the public sector must submit, before 30 April, a sworn statement as to the permanent, temporary, or contract positions that they may hold in any of the three branches of government and must opt for one of them.

Teachers and health-care employees are exempted from this provision, as they regularly work in more than one establishment.

The civil servants ordered to retire (in contrast to the previous decree) are those "who are in a position to receive the maximum percentage of their regular pension and must cease rendering services immediately, although they will continue to receive their pay for a period not to exceed 6 months."

Notifications

The law is very harsh on the officials who are responsible for notifying the personnel to whom it applies, cautioning that failure to comply with it will constitute a "serious offense and will give rise to preliminary administrative proceedings."

Further Specifics on Streamlining

For his part, the secretary general of the presidency, Alberto Kohan, asserted that "a new decree supplementing number 435, which was promulgated in March, may be made public today; it modifies some features of 435 and introduces further specifics for streamlining the government work force."

He also recalled that those who hold more than one government job "will have to choose one of them" before 30 April.

He clarified that "there will be exceptions in those cases in which the loss of an individual under this streamlining program might adversely affect the proper functioning of the agency in which he serves." The only exceptions provided for in the modifying decree are for teachers and health-care workers.

Pensions

Kohan indicated that the new decree provides that "civil servants in a position to retire over the next 2 years shall submit documentation at their respective funds before 30 April and stop working as of 1 May." He then clarified: "They will continue to receive their salaries, plus bonuses, as if they were working."

The official went on to say: "The point is not just to streamline; it's also to reform the system, inasmuch as we have an altogether oversized public administration here."

* Increased Salary Dissatisfaction Among Military

* Critical Situation

90SM0062A Buenos Aires LA PRENSA in Spanish 20 Apr 90 p 1

[Text] Official commitments aimed at correcting the acute delay in military pay but never kept, "evasive attitudes on the part of economic officials," in the opinion of our sources, and their impact at levels threatening to compromise the authority of the Armed Forces command, all combine to augur widespread dissatisfaction in military ranks in the days ahead, dissatisfaction that could result in the removal of a chief of staff at his own request. It is a decision that might not head off protest demonstrations brewing among lower-ranking officers of the three branches of the Armed Forces.

Such is the dissatisfaction fostered by low pay in the armed institutions and related to LA PRENSA by authorized military spokesmen. The very voicing of the possible outcome reveals the critical situation in which the Army, Navy, and Air Force now find themselves.

Without any visible haste on the part of the government to solve the wage problem at month's end and with 70 percent of April wages paid to personnel to be discounted at month's end, the situation in early May points toward an uncontrollable crisis for military headquarters.

Frustrating Meeting

On Monday, personnel officers from the three branches of the Armed Forces went to a meeting at the Ministry of Defense and awaited the arrival of Minister of Economy Erman Gonzalez, with whom they were to have discussed the problem.

Arguments of Defense and other military officials included the text of Order 110/90 from the Executive Branch, according to which the government pledged to adjust military pay quarterly in order to keep up with inflation, with the initial analysis scheduled for this month.

The arrival of a so-called "adviser" sent by Minister Gonzalez and instructed to channel the dialogue did not satisfy military officials, who challenged the envoy's status and chose to disregard the meeting and request another hearing with Gonzalez himself, a meeting that to date has not materialized or been scheduled.

This weekend is the deadline set by military officials to engage in a dialogue with Gonzalez. The lack of news from the Ministry of Economy as the days of April have passed will prompt officials to take their request for a hearing to President Menem himself this time, thereby playing their last trump card in the search for a solution.

Protests

At the same time, military officials are trying to judge the spread of protests starting in the lower ranks of military institutions.

Leaflets distributed at Campo de Mayo, apathy among noncommissioned officers, the emergence of cliques, and more pamphlets signed by the Workers Party urging lower-ranking military personnel to join in protests and respond with indifference to possible social disturbances are the responses of our men in arms to date.

A noteworthy increase is expected by early May when the pay they receive after substantial deductions for advances granted will make strident demonstrations even more likely.

Repercussions

The lack of any official response to military officials providing a solution to the problem and pressure from subordinates, basically in the lower ranks, pressure reflected in and noticed by military officials, point toward an uncontrollable situation in the days ahead.

All appeals to political authorities have so far been in vain and inasmuch as there is no room to maneuver within the forces if no solution has not been found by May, the authority of the chiefs of staff will be significantly affected.

This fact, of which the government seems to have taken little note, has had a strong impact on one of the chiefs of the General Staff and caused him to consider requesting removal from his post, a solution he views as a last resort in order to demonstrate his disagreement with the delay in pay for the Armed Forces which the government has continued for 5 months.

The military official, whose identity has not been released in the absence of any direct dialogue aimed at discussing the issue, reportedly believes that the authorities' indifference to the wage situation decisively affects his authority over subordinates.

The situation, along with the various protest demonstrations occurring in military units across the board, has reportedly led him to choose to resign his post.

* Chain of Command Threatened

90SM0062B Buenos Aires LA PRENSA in Spanish 11 Apr 90 p 9

[Article by Carlos Manuel Acuna]

[Text] One of the anecdotes circulating in military circles recently has to do with the serious pay situation in the Armed Forces and Security.

As the story goes, top Armed Forces officials were meeting to analyze the situation and, above all, compare salaries of the different hierarchies. A certain parity was observed, although when the case of Tucuman Province Police was brought in, one of the military chiefs, astonished at the disparity and great advantage of the latter, loudly exclaimed that it would apparently be necessary, in order to find a solution, "to bring in Commissioner Ferreira," in reference to the man in charge of the recent police revolt in that province.

It is public knowledge that the rebels' demands included the presence of the minister of interior, and the crisis that kept public opinion in suspense climaxed with compliance with all the demands formulated by those who had risen up against their superiors. Furthermore, there were no retirements or dismissals of personnel, much less Commissioner Ferreira, whose picture with two revolvers in leg holsters made news throughout the country.

Order Not Obeyed

Our observation is that this was nothing more than one of the many externalizations of the general crisis besieging the country, a crisis kept at a peak because of the lack of authority, which in turn is fostered by the Gramscian policy instituted by Alfonsinism.

However, before continuing with these reflections, let us take note of another aspect of the issue we are analyzing, one directly related to the lack of resources with which the Armed Forces have had to contend.

Indeed, only days ago, the commanding officer of the 10th Infantry Brigade based in La Plata, Colonel Gasquet, gave an order to modify the work schedules of personnel belonging to all attached units, an order drastically modifying what was already an agreement—sometimes tacit, sometimes explicit—made in order to survive the lack of means.

The modification implied reducing the continuous schedule enabling men in any command to perform other tasks in the afternoon as an alternate method of obtaining additional income, even though for obvious reasons this system is a violation of the best standards of military procedure.

The order in question was given by Gasquet to Lieutenant Colonel Zamudio, commanding officer of Regiment 3 of the Mechanized Infantry in La Tablada, who, it will be recalled, was wounded in the battle to retake the barracks the previous summer when terrorists from the All for the Fatherland Movement (MTP) occupied it.

Let us leave aside these recollections and continue with Gasquet's order aimed at setting up two work shifts, one beginning in the morning, stopping for lunch, and continuing in the afternoon.

Initial Reaction

Zamudio argued to his superior that it was actually an order impossible to carry out, given the situation and the work obligations already being met by most personnel, officers and noncommissioned officers alike, who, even without having lunch, often retired to their quarters in the afternoon to perform the most varied duties in the precious minutes allowed them.

In spite of this explanation, which, let it be said in passing, is not unheard of—far from it—in all areas of the military where the story is the same, Gasquet insisted on his order. Zamudio then announced that he would ask to be relieved of his duties because he could not obey.

The situation inevitably created a stir that gained in intensity and took on other connotations when Zamudio's subordinates informed him that he had their full

support and that they were consequently asking him not to ask to be relieved of command.

Various sources indicate that the problem began to grow and concern spread to other segments of the Army. La Tablada once again turned into another reference point gaining such significance that it forced a thorough review.

As a result, Zamudio did not ask to be relieved of command. The order was rescinded and the implications of the order given by Gasquet will now have to be studied. Gasquet's stability was obviously affected by the incident.

Success of Gramscian Policy

We have been assured that the entire problem was handled—one way of putting it—superficially with a 4-day arrest reportedly applied to Zamudio, but the word "incident" is scarcely accurate to describe the implications. Not only was there failure to recognize the facts, but the pieces of the puzzle were moved in such a way that the situation prevailed in the face of an order which could therefore not be carried out. What was left, among other things, was one of the most basic lessons of all, that one should never give an order that cannot be obeyed or carried out.

And yet, this is no more than the tip of an iceberg, which is the direct effect of the successful policy of the destruction of the Armed Forces instituted by Alfonsinist Gramsci-ism, perhaps one of the few achievements—albeit negative—of the previous administration.

The hope now is that pay raises will be given to all Armed Forces, but we are left with authority in shreds and proof that the indispensable professionalism required by military performance was affected by what was done, with clear and specific responsibilities that speak clearly of an urgent need for rectifications not confined to a mere updating of pay. This is no more than an important facet of a major problem and it is to be hoped that the resolution of the crisis will provide us with a modernized picture of military responsibilities.

Reportage on Menem at Group of 15 Summit

WA0606120490

For further reportage on Argentine President Carlos Menem's attendance at the Group of 15 Summit in Kuala Lumpur, see the International Affairs section of the 4 June issue of the East Asia DAILY REPORT.

Bolivia

President Paz Returns From OAS Meeting

PY0606031990 La Paz Television Boliviana Network in Spanish 0030 GMT 6 Jun 90

[Excerpt] President Jaime Paz Zamora returned to La Paz from Asuncion, Paraguay, at 1500 today after attending the 20th OAS General Assembly. President Paz Zamora also attended several meetings arranged by Paraguayan President Andres Rodriguez.

President Paz was welcomed back by Vice President Luis Osio Sanjinez, the military high command, ministers, government officials, and members of the Patriotic Agreement, MIR [Movement of the Revolutionary Left], and ADN [Nationalist Democratic Action]. [passage omitted]

Manipulation of Reports on Traffickers Denied

PY0206172690 Madrid EFE in Spanish 0319 GMT 2 Jun 90

[Text] La Paz, 1 Jun (EFE)—The Bolivian Special Antinarcotics Force today rejected a judge's accusations that police manipulation of information is preventing many "important" drug traffickers from being arrested.

In remarks published today by the local press, Edgar Montano, chairman of the La Paz Court, stated that "the antinarcotics agents run an information-laundering process and conceal evidence against drug traffickers in the investigations that follow the arrest of criminals." The judge said that the special police unit hinders the work of prosecutors for the 13 special antidrug courts and called for a more active participation of representatives from the attorney general's office.

General Lucio Anez, commander of the Special Antinarcotics Force, stated in a communique that he does not intend to enter into a controversy or public dispute with the judicial branch, but defended the agents of his unit.

Gen. Anez noted that given the strength of drug trafficking in Bolivia and in other countries, "everyone is suspected of alleged acts of corruption and immorality in carrying out their duties." The general told EFE that he did not know to which "important" drug traffickers the judge was referring because there has been no recent case that could be related to his accusations.

Interior Minister Comments

PY0506143090 La Paz Television Bolivian Network in Spanish 0030 GMT 5 Jun 90

[Text] Interior Minister Guillermo Capobianco, who is responsible for state security in Bolivia, today admitted that there are flaws in police procedures which can allow leaks of information when important traffickers are to be arrested. He agreed with remarks made by the La Paz Superior Court president.

[Begin Capobianco recording] Dr. (Montano) identified a problem that has been a concern of ours for a long time when he said that judicial police procedures are fundamental in the preparation of trials. He is correct when he says that court procedures do not always receive the complete cooperation of the Special Antinarcotics Force. Very often the problem has nothing to do with negligence but it is prompted by the lack of means. That is, the

Special Antinarcotics Force and the representatives of the prosecutor's office demand greater support to make the court action as effective as possible. I think there are some flaws that must be overcome. [end recording]

Officials View Compliance With IMF Agreements

PY0206215090 La Paz PRESENCIA in Spanish 29 May 90 p 4

[Text] Finance Minister David Blanco and Bolivian Central Bank Chairman Raul Boada yesterday explained that, within the framework of the structural reorganization that will allow Bolivia to begin developing, the government has complied with three agreements signed with the IMF and has failed to comply with only one agreement.

That agreement pertains to a $50 million imbalance in the level of the government's net international reserves caused by the Argentine Republic's failure to pay—in January 1990—for the gas it bought from Bolivia, and by Bolivia's purchase of part of its debt to Brazil.

The two officials insisted that Bolivia has strictly complied with its promise to maintain a free pricing policy, to issue only noninflationary money, and to have a low fiscal deficit.

In an interview with journalists, Boada said: "The overall spirit of the agreement signed with IMF has been complied with and its results are highly positive."

He confirmed that the conditions stipulated in the agreement have been met and that the congress is debating the approval of the structural measures that will regulate the national economic reactivation.

Referring to the fourth stage of the agreement that will go into force before the end of June, when the IMF will disburse $30 million of the $83 million loan to support the national balance of payments, Boada said: "I do not believe this will be an obstacle for the signing of the agreement with the IMF."

The finance minister said: "The program for the stabilization and development of Bolivian economy is being fully implemented." He added: "The economy can only grow if there is more work and production, not by issuing paper money."

He pointed out that the option for the country is to mobilize the financial resources that the international financial community has made available for development. He added that the development projects must begin to function.

After explaining that the economic model being enforced in Bolivia is that of a market economy, with real exchange rates, without subsidies, and with clear rules for the public and the private sectors, Blanco termed the Bolivian economy "very dynamic."

He also explained the reasons why the goals linked to the net international reserves have not been achieved, and he insisted that the country will begin a much more dynamic development process as soon as the congress approves the bills on investments, hydrocarbons, privatization of state-owned companies, and other bills also considered of structural importance for the development of the country.

Regarding bank interest rates and the level of money deposits with the private financial system, the minister said that these topics were analyzed with IMF and World Bank experts, who have been in La Paz since 21 May.

He said: "The interest rate is of decisive importance so that a larger number of investors can channel more money into the investment market."

He concluded by reaffirming the government's decision to maintain a liberal market policy that calls for a national financial system that is free to set interest rates to attract more resources that it can then offer to the sectors it serves.

Government Reacts Against UNFDAC Director

PY0106212790 La Paz PRESENCIA in Spanish 26 May 90 p 1

[Text] Remarks made by Giuseppe di Gennaro, an influential director of the United Nations Fund for Drug Abuse Control [UNFDAC], yesterday prompted tense and immediate reactions in the country. Di Gennaro has accused Bolivia and Peru of "blackmailing" the international community into paying economic aid for coca leaf replacement programs.

Justice Under Secretary Roger Pando has strongly warned that these accusations have "jeopardized" the continuation of relations between the Bolivian Government and the UNFDAC, and added that the Foreign Ministry "will immediately ask for an explanation" from that organization.

Moreover, the presidents of the Bolivian Senate and of the Chamber of Deputies have defined di Gennaro's remarks as "absolutely unacceptable." Social Defense Under Secretary Jorge Alderete, who is currently opposed to the government, said bitterly that "Bolivia is not asking for money with which to cure its drug addicts, but it needs money to help the rich countries to cure theirs."

Government officials and opposition members also agreed that the drug trafficking problem, by the action of the free market laws, is not sponsored by countries that produce coca leaves, but by the unceasing demand of the metropolitan consumption centers.

Comments on OAS; Consul To Remain in Chile

PY3105125890 La Paz La Red Panamericana in Spanish 1130 GMT 31 May 90

[Excerpts] Foreign Minister Carlos Iturralde has stated that Bolivia hopes the OAS will be relaunched, when he commented on the topics of the 20th OAS Meeting that will begin on 4 June.

On 30 May President Jaime Paz met with Minister Iturralde, Bolivian Ambassador to the OAS Mario Rolon Araya, and Foreign Affairs Under Secretary Javier Muniz, to evaluate the 47-point agenda that will be discussed during the OAS meeting in Asuncion.

At the end of the meeting the foreign minister talked with journalists about Bolivia's expectations at the OAS meeting, and he stressed that the sea outlet demand is a permanent topic within the OAS. [passage omitted].

Regarding the support that has been expressed by Peruvian President Alan Garcia, Iturralde stated that the government is quite certain that Peru's solidarity will not change with the assumption of the new chief of state. [passage omitted]

The foreign minister also stated that the consul general in Chile will not be replaced and that he must take into account the Senate's recommendation; he must not make any statements regarding international policy. [passage omitted]

Delegation To Participate in ILO Conference

PY0106235690 La Paz EL DIARIO in Spanish 29 May 90 p 3

[Text] Labor and Labor Development Minister Oscar Zamora Medinacelli yesterday reported that a tripartite delegation made up of the COB [Bolivian Labor Federation], the government, and private businessmen, will attend the 77th ILO [International Labor Organization] Conference in Geneva, Switzerland on 6 June. He stated that the government will be represented by only two delegates.

The minister explained: "The Bolivian delegation to this conference will include two government delegates. For economic reasons they will be the labor minister and our current representative in Switzerland."

The minister stated that COB Executive Secretary Victor Lopez Arias will be the trade union representative and Carlos Calvo, the president of the National Confederation of Private Businessmen of Bolivia [CNEPB, Confederacion Nacional de Empresarios Privados de Bolivia], will represent the employers.

According to the minister, the ILO conference in Geneva will review the Administrative Council report and the director general's annual report.

The second point on the agenda involves programming and budgeting proposals and other financial issues.

The third point on the agenda involves information and annual reports on the implementation of agreements and recommendations.

Leftist Deputy Requests Report on Role of DEA

PY0506122490 La Paz Television Boliviana Network in Spanish 0030 GMT 5 Jun 90

[Text] United Left Deputy Rafael Puentes has asked Interior Minister Guillermo Capobianco for a written report explaining the role of the [U.S.] DEA agents who are apparently involved in detaining Bolivian citizens. This role corresponds to the national police, Puentes said.

[Begin Puentes recording] This petition for a report has been submitted to the Interior Ministry. I am not saying that there have been irregularities but I have been told that in Santa Cruz a doctor called Jose Terrazas Saavedra has been detained in his own office by DEA agents.

My question to the Interior Ministry is whether the doctor was truly arrested by DEA agents, and if so, whether the Interior Ministry feels that DEA agents have the authority to arrest Bolivian citizens in this country. Moreover, the reports I have received state that the same doctor was interrogated by DEA agents five years ago, accused of bartering cocaine for planes.

I am interested in two main points: One, to learn whether this doctor is guilty, whether he has been charged with drug trafficking, and to publicize it. I believe that publicity makes impunity very difficult because it prevents a judge from finding him not guilty. Secondly, I would like to explain the real role played by the DEA in Bolivia, whether it is replacing the police, or what kind of role is it really playing? [end recording]

General Banzer Closes ADN National Conference

PY0206120890 La Paz Television Boliviana Network in Spanish 0030 GMT 2 Jun 90

[Text] General Hugo Banzer Suarez, Nationalist Democratic Action [ADN] national leader, today closed a three-day national conference of ADN leaders. In its political declaration, the ADN ratifies the economic and social program of the National Unity government.

[Begin Banzer recording, in progress] ...the opposition is determined, with special interest, to subtract from the government's credibility. They are seeking, with all their available resources, to stop any possibility of foreign investment and to promote social and regional unrest and dilatory and destructive congressional actions.

We are required to make firm decisions to face those who do not want the government to be strengthened through economic growth.

We must also make use of a high level of self-criticism that will allow us to find the most expeditious way of

improving investments and employment. This will be achieved through an executive effort and by arranging full communication between the cabinet and our congressional blocs.

In order to achieve an effective government, it is necessary for these two branches of the state to be coordinated. This is something that will give us optimum results and will paralyze the plans of a small group that should not worry us much. [end recording]

Editorial Criticizes 'Secret' Accord With U.S.

PY0206115290 La Paz PRESENCIA in Spanish 27 May 90 p 3

[Editorial: "Annex Three Comes to Light"]

[Text] By publishing the complete text of Annex Three, our newspaper has fulfilled a duty that authorities had disregarded: to provide comprehensive, unrestricted information on the scope of one of the crucial points of the agreement signed by President Jaime Paz Zamora and his U.S. counterpart George Bush.

Why was this information kept secret, despite the fact that it is so important for the country? The authorities will have to answer this question, particularly after having evaded the issue on so many occasions.

But that is not everything. We have to agree with a well-known journalist who said that "we got confused over the issue." Half-truths have been told, like when the Foreign Ministry released a document to the press which was presented as Annex Three but which was actually paragraph A of the introduction to the Annex.

We suddenly found ourselves facing a situation that had been decided 20 days earlier. It is only now that the U.S. press commentaries about the pressure that Washington had put on our president are making sense. Yet we Bolivians were the last to learn about it, as if we were foreigners living in this country.

It is clear that the United States—which now enjoys the absolute exercise of power, with no counterbalance—does not have the patience to promote alternative development. It has decided to act with a "military hand" without caring if thousands of peasants are left homeless or if the artificial stability we now have comes to an end.

That is the real meaning of the so-called long-range military plan, which at first look seems out of proportion to the Bolivian situation.

This is where a question arises: What is the origin and source of the greatest part of the information on drug trafficking? Are we really so dangerous on this issue? If we go by the words of a U.S. spokesman, yes we are.

Let us make a brief review. At the beginning Bolivia was a coca producer, but we were later convinced—through a skillful administrative maneuver—that we consume as much drugs as the countries of the north. Then, not much later, we really became cocaine producers. This designation was enough to justify military intervention in the struggle against drug trafficking and the things that made us different from Colombia disappeared at the stroke of a pen.

The idea is not to conceal this illegal business or to encourage a moral double standard. It is just as unworthy to survive on the profits of producing the raw material for a drug as it is for arm producers who thrive on death. But at least in our case there is a desire to overcome the problem and this is why international cooperation was requested.

What happened in Washington that made the government give in on its theory of "coca for development," which received not only national but also Latin American support? Let us imagine that pressures that were difficult to resist were brought to bear on the government. In this case, why keep quiet about it? If, on the contrary, the actions taken were in complete agreement with the pact that was made, what reason is there not to report it?

Thousands of explanations can be offered, but Annex Three speaks for itself: Steps were taken toward a dangerous military escalation whose effects we cannot even predict. The inclusion of a technical organization such as the Agriculture Ministry into a joint intelligence command is just a small sample of what can be expected from an agreement like the one now "brought to light."

Militarization of Antidrug Struggle Rejected

PY0106212090 La Paz PRESENCIA in Spanish 29 May 90 p 5

[Text] The government will make "a serious mistake" if it decides to include the Armed Forces in the antidrug struggle. The presence of military men in the coca-leaf producing sectors will also cause a serious socioeconomic crisis.

Victor Lopez, the executive secretary of the Bolivian Labor Confederation, has warned that the institutional role of the Armed Forces will be jeopardized if the government decides to include them in the antidrug struggle.

He recalled that the military men who have already participated in the antidrug struggle did a bad job. The drug traffickers are very astute at bribery and consequently, the moral integrity of the Armed Forces could be harmed.

Lopez criticized the U.S. Government which seeks to force the Bolivian Government to militarize the antidrug struggle. "If the Bolivian Government gives in to this pressure, it will make a serious mistake," he added.

One of the immediate results of the militarization would be that some 300,000 peasants engaged in coca-leaf growing would lose their jobs. He said that the presence

of military troops in coca-leaf producing regions would worsen the current socioeconomic problems.

Zinc Exports Surpass Tin by $5.6 Million in 1989

PY0606021590 La Paz PRESENCIA in Spanish 29 May 90 p 12

[Excerpts] Zinc exports have broken Bolivia's 100-year-old tradition as a predominantly tin-exporting country with an economy based entirely on tin mining and exporting. Mining and Metallurgy Minister Walter Soriano Lea Plaza yesterday said that zinc exports in 1989 surpassed tin exports for the first time this century.

According to reports released by the Central Bank, zinc exports in 1989 totaled $132.1 million, while concentrated tin and metallic tin exports totaled $126.5 million. [passage omitted]

In view of these changes, the Bolivian Government will modify its mining program for this year.

"We will finish the adjustments to our 1990 mining production program," the minister said. "We had foreseen a $400 million income from the export of minerals, but we must now review the program in accordance with the possibilities of each one of the minerals," he added.

The review will also include an analysis of World Bank credits to the Mining Corporation of Bolivia (Comibol), which have been reduced from $22.6 million to only $16.3 million.

Comibol Chairman Wilfredo Salinas said that the reduction of this credit, which was part of a $35 million loan to Bolivia, will affect tin mines such as Caracoles, Viloco, and Chorolque. He added that these mining centers have no choice other than to engage in selective exploitation "without mining development."

Brazil

Congressional Support Sought for Measure 184

PY0606013990 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jun 90 p 1

[Text] Threatened with another loss in Congress—which on 4 June will vote on Provisional Measure 184, to reopen the debate on the release of new cruzados in savings accounts—President Fernando Collor has agreed to satisfy requests for political nominations for federal posts. When Provisional Measure 185 was voted on, Collor lost the votes of the deputies whose nomination requests had not been favored. The president has authorized Renan Calheiros, government leader in the Chamber of Deputies, to collect the Congress' lists of candidates names for public posts.

Government Reduces Public Debt; Tax Collections

PY0606015490 Brasilia Domestic Service in Portuguese 2200 GMT 5 Jun 90

[Excerpt] The National Treasury surplus for the month of May amounts to 178 billion cruzeiros. According to National Finance Secretary Geraldo Cardenalli, the 178 billion cruzeiro surplus is the result of large tax collections during the month of May; the results of the administrative reorganization will only begin to show up in September. In addition to this important surplus, the government has also managed to reduce its public debt by 60 billion cruzeiros. [passage omitted]

Dollars, Gold Favored Over Savings Accounts

PY0106141490 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 May 90 p B1

[Text] Sao Paulo inhabitants are concentrating their investments in black market dollars and in gold, to the detriment of savings accounts and other financial applications. A survey carried out by DataFolha on 23 and 24 May shows that the dollar is nowadays the preferred financial investment of Sao Paulo inhabitants with an income greater than 15 minimum salaries (Cr 55,110.90). Out of 630 surveyed people, 64 percent said they already had dollars, and 71 percent expressed their desire to buy dollars in the next few months. The survey shows that only 33 percent of the people polled invested in dollars before the implementation of the Collor Plan. According to 84 percent of the people polled the dollar is currently the best investment, followed by gold (52 percent), and short term financial applications (40 percent).

The investment that has suffered the greatest discredit, according to the surveyed people, are savings accounts. Before the Collor Plan, 64 percent of the people polled invested in savings accounts. Of the people polled, 33 percent continue to have savings accounts, but only 16 percent expressed interest in investing their money in savings accounts in the next few months. Investments in the overnight financial market are also decreasing; 64 percent of the people polled used to invest in government notes before the Collor Plan, but only 26 percent continue to do so, however, there has been a slight recovery among those who intend to invest in the overnight financial market (32 percent).

The DataFolha survey revealed that the growth of the demand for gold and interbank deposit certificates (CDB) has been similar but not as steep as the growth of demand for black market dollars. Only eight percent of those polled had been buying gold before the stabilization plan. Today, 23 percent operate in the gold market and 28 percent are planning to buy gold over the next few months. The percentages for investment in CDB's are six, eight, and 16, respectively.

The trend to operate with short-term investment is similar to the trend to operate in the overnight market. Before the plan, 41 percent of the people polled preferred

this type of investment. Today, however, only 23 percent would invest in this sector, while 28 percent plan to invest in the sector over the next few months. The Stock Exchange was not attractive. Only nine percent of those polled invested in this sector before the Collor plan, while 16 percent are now operating in the sector and 15 percent are planning to buy shares in the future.

Police Seize Counterfeit Dollars, Make Arrests

PY0606012690 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 5 Jun 90

[Text] In Tapera, 270 km from Porto Alegre, the police have arrested three people and seized $58,400 worth of counterfeit U.S. currency. These people have been selling these counterfeit dollars in this town, especially for the purchase of vehicles. A Bank of Brazil team of experts from Espumoso has verified that the bills were indeed counterfeit.

Uruguayan citizens Egidio Connor Lozano and Armando Michelin and Brazilian citizen Jose Carlos Fortes have been detained.

Police, Military Arrest 15 in Cocaine Seizure

PY0406132190 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Jun 90

[Text] The Mato Grosso State Highway Police and the military police have made the largest drug seizure of the past few years through a dragnet operation consisting of actions against surface mines and roadblocks across highways.

Seized last week were 20 kg of pure cocaine and seven kg of cocaine paste. Fifteen persons are being held in Alta Floresta and Cuiaba. The Federal Police believe that drug trafficking between the state mining zone, the Minas Gerais triangle, and the Federal District has increased.

* CNBB Congress Focuses on Religious Themes

90SM0107C Sao Paulo VEJA in Portuguese 9 May 90 p 51

[Text] For the first time in many years, the annual congress of CNBB, the National Conference of Brazilian Bishops, took place as a religious meeting and not a gathering of politicians in cassocks. Instead of debating essentially material problems, such as corruption in the government, agrarian reform, and even import restrictions, topics that dominated recent meetings, the 274 prelates convening at Itaici, in the interior of Sao Paulo, discussed matters of interest related toCatholic doctrine. The advancement of evangelical sectors in the country, women's role in the Church, and the main focus of the debates, religious education, led to the publication of a document containing over 1,000 pages, with recommendations for rehabilitating the quality of education in the country and lending new vitality to religious schools.

Dom Paulo Ponte, acting president of CNBB, remarked: "The advancement of the sects is a prime concern of the Church, and we want to recover that flock that has been straying to foreign cults." Ever since the majority of the Catholic Church made its preferential option for the poor, and priests mixed political militancy with preaching the Gospel, a sizable portion of the faithful who were seeking only spiritual consolation in religion has been fleeing from Catholicisn, migrating to other sects. Brazil, a country with a Catholic tradition, now has 40 million members of evangelical religions, some of which maintain an ecumenical dialogue with CNBB on a good level. What concerns the bishops most is the growth of the so-called pentecostal sects, an offshoot of the evangelical doctrines proliferating among the poorest population, with promises of miraculous cures. They are cults led by pastors who engage in impassioned preaching on radio and television programs. "In fact, we have neglected the spiritual guidance of our faithful since the 1960s, owing to a materialist interference in our doctrine. Our challenge now is to give solace to our flock and prevent it from being manipulated by pastors seeking to amass wealth at the cost of donations from the faithful," claimed a CNBB bishop associated with the ecumenical issue.

Impetus

Although the Holy See has warned the Brazilian prelates of the dangers that those sects represent for the survival of Catholicism in the country, the CNBB meetings during recent years relegated that emerging problem to a secondary status. The religious preferred to discuss ways of increasing agrarian reform and to expose corruption in the federal governnment, as occurred at last year's meeting. Concerned about debating their liberation theology, the Catholic bishops overlooked the fact that a large part of their congregation was making a preferential option for the pentecostal sects. This year, two historical changes appear to have cooled the spirits of the leftist priests. They can no longer complain of the ban from the Vatican on visits to Nicaragua, for the very good reason that the Sandinists were defeated at the polls early this year.

The impetus to carry out social changes has also become somewhat disrupted with the defeat of the PT [Workers Party] candidate, Luis Inacio Lula da Silva. Lula was backed by a considerable number of bishops and priests of the Catholic Church. One example of how the bishops' preaching at the CNBB meetings has changed in tone may be observed from a meeting held last Wednesday, when Dom Pedro Casaldaliga, bishop of Sao Felix do Araguaia, Mato Grosso, the most ardent defender of liberation theology, proposed to the CNBB plenary session that the entity condemn the economic plan issued by President Fernando Collor. The proposal was rejected by nearly two thirds of the bishops. One bishop from the Church's left wing commented: "I voted against Dom Pedro, because his proposal was naive. We have far more serious matters to resolve."

The Preaching Changes in Tone

For the first time in recent years, the bishops gathered at Itaici abandoned political issues, giving priority to the discussion of matters of faith, such as the advancement of the evangelical sects. Following are the main topics at the latest CNBB assemblies:

1986: Constituent body and agrarian reform.

1987: Construction of a just and fraternal society in the light of the preferential option for the poor.

1988: Alternatives for dealing with the economic crisis: the construction of low-cost housing, a general readjustment of wages, and an end to imports.

1989: Corruption and presidential succession.

1990: Advancement of the evangelical sects; women's role in the Church; and religious education.

* Mirage Supersonic Aircraft Readied for Flight

90SM0095B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 May 90 p 13

[Article by Roberto Godoy]

[Text] Campinas—The Jaguar's Den, Brazil's advanced air base at Anapolis, 120 km from Brasilia, harbors a secret. There, in one of the hangars of the 1st Air Defense Wing, is the first Mirage IIIE/BR supersonic aircraft, fully modernized by Ministry of Aeronautics officers and technicians and ready to fly.

The plane is the seventh of its class to undergo a technological upgrading. The other six (two two-seaters for training and four single-seaters for combat) were purchased second-hand from France and reconditioned by the manufacturer, Marcel Dassault-Breguet Aviation. The contract called for full transfer of the specialized operating knowhow. The total investment is estimated at about $25 million.

FAB [Brazilian Air Force] has a fleet of 18 Mirage IIIE built during the 1970s (the first order for 16 planes was formalized in 1973) and, two years ago, FAB decided to extend the useful life of the fleet by installing modern equipment in the aircraft. Delivery of the planes readied by Dassault started in October 1988 and ended in February.

There are several stages in the Mirage IIIE/BR modernization program, which includes retrofitting new systems for navigation, weapons, communications and visualization, as well as electronic countermeasures, reconnaissance and on-board data processing facilities. The Atar 9K/50 turbine, which provides at least 20 percent more thrust, takes the place of the old Atar 9C.

The biggest change in external appearance is the addition of "canards," small fins mounted on the sides of the fuselage just below the cockpit, to increase maneuverability in combat by about 25 percent. The same feature gives precise lift even at low altitudes and slower speeds, raising the confidence level of this supersonic craft to the 50 to 80 percent bracket.

The end result, distinguished by its dark gray paint, is an efficient war machine for the 1990s. The Ministry of Aeronautics contracted with Dassault-Breguet for technology transfer and manpower training—not only for maintenance personnel but those who will be responsible for continuing the upgrading. Working at Anapolis, that team has virtually rebuilt the first of the supersonics to be reconditioned in Brazil and is getting ready to officially deliver it to Minister Socrates Monteiro sometime in the next several days.

* Goldemberg on Disagreements With Lutzenberger

90SM0107B Rio de Janeiro O GLOBO in Portuguese 7 May 90 p 10

[Interview with Jose Goldemberg by Lucia Turibio and Mari-Angela Heredia; date and place not given]

[Text] Brasilia—Upon his return from Washington, where he took part in the inter-parliamentary meeting on climate changes, the national secretary of science and technology, Jose Goldemberg, was received as a hero by the Brazilian Government. His arguments, and those of the national secretary of environment, Jose Lutzenberger, caused Brazil to move from the defendant's seat to the position of accuser, in the international controversy over the environmental preservation of the planet.

In an interview with O GLOBO, Goldemberg did not conceal his enthusiasm over the results of the meeting; however, he also did not spare criticism of his traveling companion, Secretary Jose Lutzenberger, whom he claims to have delivered an inappropriate speech on that occasion. In addition to that episode, Goldemberg discloses other differences with his colleague in the Secretariat of Environment. They include the reforestation program, Floram, which prompted the first defection in President Fernando Collor's team: the departure of the president of IBAMA [Brazilian Institute of Environment], Werner Zulauf.

Goldemberg revealed that he would appoint Professor Eneas Salati as director of the Institute for Amazon Region Research (INPA), and that he would promote deepseated changes in the institution. The secretary also noted that he intends to change the geopolitical concept of the Amazon Region's occupation.

[O GLOBO] Do you think that you succeeded at the Washington meeting in reversing the position of Brazil, which has been treated by the international community as the great villain of ecology?

[Goldemberg] I think so. Our effectiveness consisted of demolishing the American argument, which changed drastically between the opening and close of the meeting. It was all based on the idea that there are many scientific

uncertainties and, hence, there is no justification for making large investments to prevent the greenhouse effect.

[O GLOBO] Was it there that you brought up the history of the star wars project, in which the U.S. invested fortunes without knowing what would happen in space?

[Goldemberg] Exactly. This was also a stroke of genius, because it was a diplomatic meeting, with everyone very serious and formally attired. And when I mentioned that, everyone began laughing. When I attacked in that way, the Americans themselves were pleased, considering the argument "a gem." And afterwards, in an interview on television, I used another argument: that this business of learning directly, so as to take action later, is not correct. The Americans have been criticizing Brazil for allowing the devastation of the Amazon Region. We could have used the argument that the devastation does not have such serious consequences, that we need to study more, and that, meanwhile, we would continue the devastation if the problem is scientific information. I gave a reminder that Brazil emits five percent of all gases, and the U.S., 24 percent. Then the audience put the Americans in a disastrous position again.

[O GLOBO] And what is the solution for preventing climate changes caused by the greenhouse effect?

[Goldemberg] The composition of the atmosphere is changing, and we must avoid that. But it has been calculated that this would cost at least $20 billion per year. And where will that money be obtained? Another solution would be to eliminate CFCs (chlorofluorocarbons). But something else must be used to replace them, because who could live without a refrigerator, for example? So, the idea is to establish an international tax on the burning of fossil fuels. For every kilo of carbon emitted into the atmosphere, you would pay a tax. My proposal is that the tax should not be very high, but the Americans and Japanese have attempted to obstruct that proposal as much as possible. But I hope that, by 1992, this idea will develop and be adopted here in Brazil during the UN's international meeting on the environment.

[O GLOBO] Who would manage the funds, and what is required to approve the proposal?

[Goldemberg] The World Bank or a new organization created especially for this purpose, because it is a great deal of money. The United States is responsible for 24 percent of the emissions, and hence would have a 24 percent participation in the fund. Japan would have seven percent; and Russia and China, another 20 percent. In other words, if the great powers failed to reach agreement, it would be difficult. The ones agreeing with the proposals are the European countries, especially the Scandinavians.

[O GLOBO] What are the possible means of reducing gas emissions into the atmosphere?

[Goldemberg] There are three things: first, eliminating the CFCs, replacing them with other products that are slightly more expensive, but do exist. Dupont is making new chlorine compounds, because CFC is an artificial product. The second is reforestation. There are 50 billion tons of coal stored in the Amazon forest, 10 times more than the entire world emits into the atmosphere every year. Therefore, the forest cannot be cut down.

[O GLOBO] What do you think of the Floram Program sponsored by Professor Aziz Ab Saber, and the ex-president of IBAMA, Werner Zulauf, who was dismissed by the secretary?

[Goldemberg] It is a very good, reliable program, but Professor Lutzenberger does not like it.

[O GLOBO] You have many disagreements with Professor Lutzenberger. Is this another one of them?

[Goldemberg] In this case, I am not the one; it is Professor Ab Saber. Ab Saber claims that Lutzenberger did not like the program, which he did not even read.

[O GLOBO] What effect has the antidevelopment position upheld by Secretary Lutzenberger had?

[Goldemberg] None. It was not the right place for making that type of proposal. It would be appropriate to make that type of proposal at an SBPC [Brazilian Society for the Advancement of Science] meeting.

[O GLOBO] In the leadership of the Amazon Region Zoning Program, do you think that Secretary Lutzenberger's position could delay the process?

[Goldemberg] The Amazon Region zoning is something concrete; it is not just talk. We are working on this together, and I think that we will succeed. The president is really determined. He assigned us together with the military, and I think that it will be accomplished. The best way of ensuring Brazil's control over the Amazon Region is to preserve the forest, including the Calha Norte border area. We intend to change the geopolitical mentality regarding occupation of the region.

[O GLOBO] What use do you intend to make of the National Institute for Amazon Region Research, INPA, which is linked to your secretariat?

[Goldemberg] I intend to change its profile, first by replacing the director. Schubart would leave and Eneas Salati, who was one of INPA's best directors, would return. The institute should not engage in biological research alone, but also in soil research. And a Department of Anthropology and Social Sciences should be created to study types of forest occupation that are not destructive. This would be a continuation of Chico Mendes' work, but expanding the area of activity for products such as medicinal extracts, on which there is only incidental information.

[O GLOBO] What is your assessment of the construction of hydroelectric power plants in the Amazon Basin?

[Goldemberg] Although they have been planned, they do not represent a significant environmental impact. I think that the hydroelectric power potential should be exploited to the maximum extent possible, also because it would prevent the use of other more harmful fuels.

* Cabral Views Roles, State Races, Opposition

90SM0107A Rio de Janeiro O GLOBO in Portuguese 7 May 90 p 3

[Interview with Minister of Justice Bernardo Cabral by Jorge Bastos Moreno and Cristiana Mendes Lobos; date and place not given]

[Text] Brasilia—After having been blamed for the government's mistakes and cited as an aide in disfavor, Justice Minister Bernardo Cabral finds himself recovered and raised to the status of a super-minister of President Collor. Besides having retrieved the political coordination, he claims to have control over all of the government's appointments. Revived, he compares his prestige at Planalto Palace with that of Minister Petronio Portella, in President Geisel's administration. He claims to have even more power.

The activity, including that of fellow ministers, in his office on the fourth floor of the Palace of Justice, attests to his power in the government. Last week he received Zelia Cardoso de Melo (economy), Antonio Rogerio Magri (labor), and Ozires Silva (infrastructure). He conversed with others on the telephone, constantly coordinating, at the president's decision, the second and third level appointments to establish Collor's base of support in Congress and to elect allies in October.

Last Friday there was intense activity in the office. Politicians from various parties, such as Senator Mauricio Correa (PDT [Democratic Workers Party]-DF [Federal District], and even first lady Rosane Collor, were seeking contacts. According to the minister himself, the authority that he received from the president last Wednesday is a result of his free passage among the various parties in Congress.

[O GLOBO] Just last week, government leaders themselves were speculating on your dismissal from the ministry, considering you politically finished. How do you explain this sudden change in your position in the government?

[Bernardo Cabral] The appreciation that the president of the republic gave to his justice minister was a result of his perception that, during these nearly two months of government, I always attempted to act with the most complete discretion, remaining far longer in the obscure audience than on the lighted stage. By this, I mean to say that those who thought that I was finished with President Fernando Collor were mistaken, because the situation was quite the contrary. Confidence is not benevolence that is bought, nor charity that is sold. For this reason, I enjoy the president of the republic's most absolute confidence and loyalty.

[O GLOBO] What have you really started to control in the governnment now?

[Cabral] In the congressional area, I engage in coordination with the government leaders, Renan Calheiros (in the Chamber) and Jose Ignacio (in the Senate). In the political area, I work on candidacies that are being created, making analyses of whether or not they are viable. In the administrative field, there is the most complete integration and collaboration with the ministers and state secretaries.

[O GLOBO] Is the main purpose of your work to construct a base of support for the government in the next Congress?

[Cabral] Exactly; the work that I have been doing with a view toward the 3 October elections is aimed at forming a group of congressmen (regardless whether they are affiliated with one set of party initials or another) that will lend support to our government. Starting next year, when the politicians who were not attuned to the people's aspirations have been brought down, a political modernity will emerge in the National Congress that will demolish structures, surmount obsolescent conditions, and head toward solutions for problems that will prove that the Brazilian politician will, henceforth, be a man devoted to attacking problems, and not to seeking his own personal ambitions. The politics of cleverness and the practice of exchanging favors will suffer a mortal blow.

[O GLOBO] How can this change be made if, for your mission, you will also be centralizing the distribution of offices? Wouldn't the practice of exchanging favors only change its direction—instead of happening, as under the previous government, in the president's office, move instead to the office of the justice minister?

[Cabral] It must be realized that, after two months of administration, with the government's economic stabilization plan settled, the empty spaces in public administration will have to be filled, so that the administrative machinery will not come to a standstill. However, what is noteworthy is the guideline for the selection of persons who are prepared, not merely from a technical standpoint, but also, and most especially, in the moral area. This shows that it is not the path of shady deals or the route of compensation that is being traversed. And, furthermore, we must call to President Fernando Collor's government those who contributed to his victory, and not his enemies, because they never send flowers.

[O GLOBO] Will you take the stage for the next electoral campaign?

[Cabral] I shall enter firmly, because my ministry is political, and hence my functions are political. However, this does not mean that I must take the stage, or engage in witch-hunting politics. Nor does it mean that I must put the administrative machinery in the service of one candidacy or another.

[O GLOBO] The Collor government's interest appears to be only in the National Congress. What is the position of the president of the republic concerning the successions in the states?

[Cabral] The president of the republic will not become involved in the selection of candidacies. Instead, he will wait, in each state, for the forces that supported him in his election to become reconciled with one another, so as to avoid showing sympathy for one to the detriment of others.

[O GLOBO] You were the closest collaborator of Deputy Ulysses Guimaraes in preparing the Constitution. Now Deputy Ulysses Guimaraes has accused you of failing to abide by the text that you helped to devise. Thus far, you have not responded to that criticism.

[Cabral] Poor Dr. Ulysses!

[O GLOBO] Since you have just now become responsible for drafting the government's provisional measures, why did you not also respond during all that time to the criticism from your own colleagues, who blamed you for the legal errors in many of them?

[Cabral] The fact is that some individuals who at times have criticized us clearly recall the steak milanese in bars; but we noticed that it was spoiled after we took the first bite.

[O GLOBO] As the person mainly responsible for President Collor's political activities, aren't you concerned about Lula's "parallel government"?

[Cabral] What government? It seems to have gone as far as Conceicao on the hill. If it went up, no one knows; if it came down, no one saw it....

[O GLOBO] And what about the criticism made by ex-Governor Leonel Brizola of the government's economic stabilization program?

[Cabral] The worst kind of desperation is that of a politician who sees his chances for a possible electoral victory dissipate on the horizon. He is a desperate person.

* Reserve Generals Support Braga, Score Collor

* Cruz on 'Dictatorship'

90SM0099A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 90 p 4

[Article by Eliane Sobral]

[Text] Brasilia—One day after President Fernando Collor demanded obedience and discipline from the military, Reserve General Newton Cruz, former head of the now-extinct SNI [National Service for Intelligence], severely criticized the new government and recommended that Collor shoot himself in the head.

I cannot call someone a statesman who says he has only one bullet in the chamber," the general told AGENCIA ESTADO. "A statesman who has only one bullet in the chamber should aim the gun at his own head."

A controversial figure, punished last year by 10 days of imprisonment after having called former President Jose Sarney and then-Minister of the Army Gen. Leonidas Pires Goncalves "cowards," Newton Cruz had already opened up a dispute with President Collor when he publicly announced his decision to vote for the PRN [National Reconstruction Party] candidate. "That is an odd decision; those military men are only good for exploding bombs at RioCentro," said Collor at the time.

After Collor took office, Cruz repeated his request for a reopening of the investigation that was conducted in 1981 to find out who was responsible for the explosion of two bombs at RioCentro. One of them blew up inside a car occupied by two soldiers from the 1st Army's DOI-CODI [Department of Domestic Operations-Internal Defense Operations Center]. Assigned No. 00001.001770/90-16 by Planalto Palace, the general's request was forwarded to the Strategic Affairs Secretariat, but he has heard nothing further from them.

Gen. Cruz thinks President Collor has been acting on impulse and that his performance shows he has little regard for the other branches of government. "I think we are living under a dictatorship that has been validated by the Judiciary and by Congress," he said. If Sarney's mistake was displaying a lack of authority and determination, then Collor is erring on the side of excess.

"After President Collor, the big problem will be the cleanup," continued Cruz. "Administrative reform is a program that needs five years, not five days, to mature. Otherwise it can be chaotic and produces little in the way of concrete results."

Cruz thinks that "the boiler is going to explode" at some point. He is talking about the ABC [Refers to industrial cities of Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul in Sao Paulo State], where industry had laid off 45,281 workers by last month. "What might happen when the worker finds he has no money, and so there is no food, because he does not have a job?" he asks.

The general is cautious in talking about the recent statements by Gen. Pedro Luiz de Araujo Braga, new military commander for the Southeast region, who defended the "intelligence community" (of which Cruz is a member) against criticism by President Collor. "I have not read the speech, but I will say that Gen. Braga is a man of character and impeccable reputation. If he made that statement, it was because he thought it was an appropriate time to do so."

* 'Right To Criticize' Noted

90SM0099B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 90 p 4

[Article by J. Paulo da Silva]

[Text] Reserve General Euclydes Figueiredo, brother of former President Joao Figueiredo, took exception yesterday to President Collor's warning to the military not to criticize his decisions. According to the general, his community is entitled to express its opinion: "The Armed Forces have historically played a part in government decisions; that is why officers, and especially generals, must speak out and disagree with the government's positions when they feel this is necessary."

Gen. Figueiredo said he agrees with Gen. Pedro Luiz de Araujo Braga that the intelligence sector, threatened by the administrative reform, should not be abolished. That statement by Gen. Braga, military commander of the Southeast, is what provoked the warning from President Collor, issued Wednesday in Brasilia in two speeches, one at the presidential guard battalion and the other at the cavalry guard regiment. "It is better to talk than to use weapons," observed Gen Euclydes Figueiredo.

Former president of the War College, Figueiredo criticizes President Fernando Collor, whom he says should not govern "intuitively." He commented: "The president will have to create an agency with the same features as the SNI [National Service for Intelligence] because it is impossible to govern without an intelligence service." To him, an administration without that kind of advice "is like a boat without a compass."

Figueiredo believes that "disagreeing is not the same as being disrespectful," and illustrated his contention that the military should be critical by mentioning the incident in which he called ex-Minister of the Army Gen. Leonidas Pires Goncalves a "coward" for not backing Gen. Newton Cruz during the trial in the Baumgarten case. "Gen. Leonidas intended to run for president of Brazil, but gave up the idea after what happened," says Figueiredo, who was punished a year ago by 10 days in prison at the Military Command of the East in Rio because of statements he made against the minister.

Former President Figueiredo's brother insists that an intelligence service is essential in governing a nation. "The SNI is scarred by its past, but it can be reformulated," suggests Figueiredo, who arrived in Rio yesterday from his farm in the interior of the state and had not yet heard how his colleagues had received the warning from President Collor. The general is backing the candidacy of another of his brothers, Diogo, for presidency of the Military Club. Gen. Diogo Figueiredo's aim is to provide recreation and sports at the Military Club.

* Military Should 'Obey'

90SM0099B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 90 p 3

[Editorial]

[Text] President Collor de Mello did well to remind the military that, whatever their branch of service or rank, he is the president of Brazil and as such the head of state and of the government, elected by popular vote and, under the Constitution, commander in chief of the Armed Forces. It might seem superfluous for the head of state to have to call those facts to the attention of men whose constitutional duty is to defend the authority of the Constitution and who live by principles of hierarchy and discipline. Such a reminder would, in fact, be unnecessary if both the episodes that have occurred in this nation since the Geisel administration and the awareness that the orders of the commander in chief, based on the Constitution and the laws, must be obeyed had been assimilated by all sectors of the Armed Forces, especially by those whom the late Gen. Golbery do Couto e Silva used to call "our radicals."

Unfortunately, however, in some military sectors that would call themselves the heirs of those undisciplined forces that created the crisis of the "military question" during the Empire, or are imbued with Florianist ideals of resolving everything by the sword, the certainty that the military are the only ones authorized to interpret the general sentiments of the Nation has become deeply ingrained. Or worse, they are convinced that because they are military they are immune to criticism and need not comply with the general laws made for government employees, a category they belong to. Not to mention the certainty of which those sectors believe themselves possessed—judging by the recent words from a military leader—that there is an devious campaign being conducted in the press (!) against the Army or against those who, more than 10 years ago (the majority, therefore, already in the reserves or dead, not even remembered) loyally risked their lives in the battle against terrorism. Those men certainly do merit the respect of society. That esteem does not, however, keep us from noting that the "militarization" of the Brazilian State, especially during the Figueiredo period (and continuing during Sarney's term), led to a situation where certain people overstepped the boundaries of their functions. Well now, that is the question here: do those who went beyond what the regulations prescribed and thwarted the moral conscience of the Establishment deserve a defense so vehement that the president of the Republic must construe the words of a commander of the Army as directed

against his actions and find himself obliged to tell that Nation that he is the commander in chief and was elected to that office by 35 million votes?

Brazilian society believed that the "military question" was a thing of the past. Now it perceives, to its surprise, that the embers have not yet been extinguished and that from time to time a minor incident rekindles the flames. Well now, in a situation such as the present, where the head of government is working hard to strangle inflation (one of the most difficult battles imaginable) and to bring the bureaucracy under control (a herculean task), it is inadmissible that His Excellency not have the vital support of the Services. If President Collor de Mello's rear guard is not secure—and not just secure, but at peace—then how will he be able to overcome the obstacles that the bureaucracy, aided by the insensitivity of some ministers and the almost total unfamiliarity with the administrative machine demonstrated by nearly all the president's closest aides, will place in his path?

It must be made clear that the Nation recognizes the valor of those who, during the difficult days of the battle against terrorism, risked their lives by loyally confronting the subversive threat against the State and society. It must also be made clear that after the Institutional Acts were abrogated by constitutional amendment No. 11 of 1979, and especially after the amnesty law was passed, the Nation forgot about the violations committed by both sides against the general laws of the country and those of Humanity. That amnesia did not keep factions, encysted in the apparatus of the State from using the excuse of furnishing the presidency and its special advisory bodies with strategic information and overstepping, if not actually abusing, their positions. The criticisms that the president sought to refute publicly—the ones that struck, albeit only grazing, the authority of the head of state—were aimed against those few, and not against former special services within the military establishment. It is hard to believe that to defend a minority that in many cases did more (or less?) than what the laws and regulations called for, people have attempted to create a new "military question" along the lines of those that marked the post-1945 years or the beginning of the military process of 1964-68.

The president of the Republic and the National Congress are the political representatives of the nation. Each of them working within its specific jurisdiction, the head of state being the commander in chief of the Armed Forces, is responsible for directing the armed might of the State. It is the duty of the Armed Forces to obey, not to debate and not to disagree. Or do the military leaders, however illustrious, intend to revoke the "principle of the chief" in their relations with the president of the Republic, demanding, on the other hand, that said principle continue in force within their services?

Chile

Aylwin Creates National Environment Commission

PY0606010190 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 5 Jun 90

[Text] Upon signing the decree creating the National Environment Commission [Comision Nacional del Medio Ambiente], President Patricio Aylwin has stated that the commitment to development and the principle of equality also necessitates the defense and protection of the environment.

Present at the ceremony were Minister of National Resources Luis Alvarado, Minister of Housing and Urban Affairs Alberto Etchegaray, and other people involved in environmental activities.

The president said in his speech that the new commission will first prepare a national policy for the defense of the environment. He added that this defense represents a national challenge that obliges all Chileans to work beyond their personal ideological positions.

Under Secretary on Discovery of Grave in Pisagua

PY0606013190 Santiago Domestic Service in Spanish 2300 GMT 5 Jun 90

[Excerpts] Government Under Secretary General Edgardo Riveros has said in a news conference that events such as the discovery of bones in Pisagua indicate that the decision of the president of the Republic to create the Truth and Reconciliation Committee to investigate these crimes was correct. [passage omitted]

As for the bodies found in the northern region of the country, Riveros said:

[Begin recording] I believe that findings like this show that the human rights problem in Chile is an open wound that will require a substantial effort to close it and that the only way to do so is to learn the truth about these facts. Life has been showing us that the president of the Republic was correct in creating the Truth and Reconciliation Committee. We hope the courts can soon report to us on the identification of the bodies that have been found and that those responsible for their deaths can also be identified. [end recording]

The under secretary added that a lawyer representing the Interior Ministry has traveled to the region to check on the details of the Pisagua finding.

Carabineros on Alert After 'Threatening' Call

PY0206190290 Santiago Domestic Service in Spanish 1700 GMT 2 Jun 90

[Text] Police sources have reported that all Santiago Carabinero units have been put on a state of alert after a threatening phone call was made by alleged members of the terrorist Manuel Rodriguez Patriotic Front (FPMR) at 0000 this morning.

The call was reportedly made by a man who emphatically asserted that the two people arrested in connection with the murder of Colonel Fontaine should be immediately released or the Carabinero units would be attacked.

The only two people arrested in connection with the murder of former Carabinero Officer Luis Fontaine are: Jorge Espinola Robles, who has revealed that he planned the murder with four other FPMR members; and Eduardo Moreno Vega, who was identified as the murderer by an eyewitness.

Fontaine was shot to death in a taxi on 10 May as he was traveling along Santa Isabel Street between Rauli and Portugal Streets. Margarita Mardonez, who worked for the same company as Fontaine, was also traveling with him.

The threat against the Carabineros was made a few hours after it was reported that the eyewitness had positively identified Moreno Vega as one of the pseudostudents who shot at Fontaine and Mardonez, and that Espinola's involvement in the attack had been revealed. The man, who said he represented the terrorist FPMR, said that Espinola and Moreno must be immediately released unless the Carabineros wanted to have their units attacked.

According to police sources, the Carabineros have already taken the necessary steps to prevent these attacks.

Bomb Kills Carabinero; Other Violence Reported

PY0406221190 Santiago Radio Chilena Network in Spanish 1700 GMT 4 May 90

[Excerpts] A Carabineros officer died and a noncommissioned officer was seriously injured as a result of the explosion of a bomb planted by unidentified individuals at the office of the General Treasury of the Republic at 28 Teatinos street, a few meters from La Moneda Palace.

The boobytrap-type bomb exploded shortly before 0830 this morning on the second floor of the building. At the time personnel of the Carabineros Special Operation Group [COPE] were trying to defuse it.

The bomb was inside a flowerpot that was left under the chair of the regional metropolitan treasurer Vania McLee Orellana. The explosion instantly killed 25-year-old Carabineros Lieutenant Fernando Toledo Perez and seriously injured 28-year-old Second Corporal Javier Chavez Bejar, who was taken to the Carabineros hospital.

It was reported that a janitor noticed that a new flowerpot was under the chair of the metropolitan regional treasurer. As he was removing the flowerpot a string dropped, and the ticking of a clock was heard.

The janitor warned the guards on the first floor, who alerted the Carabineros. They, in turn, warned the COPE.

A squad comprised of Lt. Fernando Toledo Perez and 2d Cpl. Javier Chavez Bejar tried to deactivate the bomb, which exploded inmediately, killing the officer. Chavez was seriously injured in the hands, legs, and eyes.

General Oscar Tapia, chief of the Carabineros metropolitan zone, went to the scene but declined to make a statement to the press. Jorge Burgos, cabinet chief and legal advisor in the Interior Ministry also went to the scene. [passage omitted]

Military Prosecutor (Juan Araz), who was at the scene, said that the bomb was of a boobytrap type and was presumably planted last Friday. He added that the bomb was automatically activated when the janitor moved the flowerpot. This occurred before 0800 this morning.

Another attack which fortunately caused no casualties occurred early last night. Unknown people launched two LAW [Light Antitank Weapon, M72] rockets from an empty lot near the COPEC [Chilean Oil Company] plant on the road to Melipilla. The attack occurred at 2130 yesterday when the individuals detonated time bombs [as heard] on tanks one and two containing aviation fuel. One of the bombs caused a small hole in one of the tanks, and the other bomb did not explode. According to police reports nobody was injured, and the case is being heard by the criminal court.

Officials Repudiate Attack

PY0506192490 Santiago Domestic Service in Spanish 1100 GMT 5 Jun 90

[Text] Interior Minister Enrique Krauss has voiced his repudiation and pain over the death of Lieutenant Fernando Toledo, the latest victim of terrorism. Krauss said this shortly after the incident at the General Treasury of the Republic, as he was leaving a meeting he and the Justice Minister held at President Aylwin's residence.

[Begin Krauss recording] I express my repudiation, pain, and my conviction that there are still some alienated sectors that do not understand the meaning of the return to democracy. The death of Lieutenant Toledo is undoubtedly new proof that the Carabineros, who are fulfilling a very important role in the effort to pacify spirits, are the first target of those alienated people. We are sure that we will continue to achieve our task. I learned about this attack during a meeting with the president of the republic. The president and those attending the meeting agreed to continue in the struggle in support of unity of all Chileans. You know very well that we have declared the struggle in support of peace to be our objective. [end recording]

Krauss added that the name of Lieutenant Toledo will be included in the long list of Carabineros martyrs. This fact encourages us to continue with the struggle in support of peace. Krauss emphasized the need to act with much prudence.

Carabineros Director Rodolfo Stange Delckers has repudiated the terrorist attack in which an officer died and another was seriously injured. On leaving the office of the General Treasury of the Republic, Stange made brief remarks to the press.

[Begin recording] [Stange] I strongly repudiate this criminal action. All Chilean citizens should be aware that this situation should not continue. We are doing our best to try to find the criminals. We hope to be successful so that the criminals can be placed at the disposal of the court.

[Reporter] General, have these attacks (?been rejected) in this new stage of...?

[Stange, interrupting] The government has categorically rejected it. The president and the ministers have conveyed their condolences to me.

[Reporter] Has any group claimed responsibility for this attack?

[Stange] No, nobody. [end recording]

It should be noted that preparations for lying-in-state have been set up at the Carabineros School, and the funeral of Lieutenant Toledo will take place in the city of Chillan after a religious service at Carabineros headquarters. Meanwhile, the health status of Second Corporal Juan Chavez Bejar is critical. He twice underwent surgery. The doctors of the Carabineros Hospital have said that Chavez' hands and arms were seriously injured.

The Army Public Relations Office has issued a communique strongly condemning this attack in which a Carabinero died. In the communique the Army conveys to the Carabineros' relatives and to the institution its condolence and support at this time of great suffering.

PCCh Urges FPMR To Support Democratic Process

PY0606014790 Santiago Radio Cooperativa Network in Spanish 2300 GMT 4 Jun 90

[Text] Volodia Teitelboim, Chilean Communist Party [PCCh] secretary general, has said that the Manuel Rodriguez Patriotic Front [FPMR] should fit into the new democratic stage that is underway in the country. He made this statement at the closure of the PCCh national conference, which took place from 29 May to 2 June.

[Begin Teitelboim recording] The PCCh agrees with the fact that the whole democratic world fits the new situation. A movement that fully justified its actions under the dictatorship should therefore also join the new civilian life as a positive element that can help the development of democracy. [end recording]

Teitelboim said that this national congress had contributed to taking an effective step toward the renewal of the PCCh, which was strongly persecuted by the dictatorship. He noted that the PCCh is struggling for legal recognition, adding that the PCCh statutes will be changed by a commission which will soon be created.

The top PCCh leader also harshly condemned the recent attack in which a Carabinero was killed.

* Polls Show Aylwin's Popularity Up

90SM0049A Santiago EL MERCURIO in Spanish 8 Apr 90 pp 12D, 13D

[Text] A recent poll carried out by the firm "Bestland," directed by Pedro Carrasco, noted a substantial increase in the popularity of the government of President Aylwin. The poll, conducted during the last week of March, indicates that if an election were to be held today, 63.6 percent of the voters in the Metropolitan Area would vote for President Aylwin, showing an increase in his popular support when compared to 56.2 percent recorded in December.

In the same way, on a scale of 1 to 7, the personality of Aylwin received average marks of 6.4 in intelligence, 6.3 in honesty, and 6.1 in leadership. This also shows an increase compared with similar evaluations made during the presidential election campaign.

The survey questioned 600 people, all of them listed in the Electoral Register of the Metropolitan Area in the month of December 1989. A margin of error of 6 percent was assumed, as well as a level of confidence of 95 percent. According to the statements of Bestland executives, this kind of survey will be carried out by the company periodically.

While Patricio Aylwin has raised his percentage of the votes in a substantial way, if the presidential elections were held today, the other two candidates have lost ground, compared with the percentage they obtained in December 1989. Thus, Hernan Buchi only obtained 14.9 percent of the votes, while Francisco Javier Errazuriz would reportedly obtain 8.2 percent.

"If the presidential election were held today, whom would you vote for?"

The answers were: Aylwin, 63.6 percent; Buchi, 14.9 percent; Errazuriz, 8.2 percent; don't know, 8.2 percent; would not vote, 2.6 percent; and blank ballots, 2.4 percent.

"How would you evaluate the performance of President Aylwin?"

The answers were: very good, 44.6 percent; good, 19.8 percent; better than average, 18.1 percent; average, 3.1 percent; less than average, 1.4 percent; and very bad, 1.3 percent.

The performance of President Aylwin was rated as good or very good during his first 2 weeks in office by 64.4 percent of the sample . This is a percentage which reflects a real "honeymoon" period for the president in the view of the voters.

"How would you evaluate the performance of the present government?"

The answers were: very good, 36.2 percent; good, 22.9 percent; better than average, 20.3 percent; average, 5.4 percent; less than average, 0.7 percent; and very bad, 1.8 percent.

"How do you regard the political future of the country, compared to the past?"

The answers were: much more optimistic, 36.2 percent; a little more optimistic, 30.9 percent; about the same, 19.3 percent; a little more pessimistic, 8.7 percent; much more pessimistic, 2.6 percent.

"What are your feelings regarding the economic future of the country, compared to 1989?"

The answers were: much more optimistic, 25.1 percent; a little more optimistic, 38.2 percent; about the same, 22.8 percent; a little more pessimistic, 8.4 percent; much more pessimistic, 3.2 percent.

"What do you think of the economic situation in general during the administration of Patricio Aylwin, compared to the present economic situation?"

The answers were: will improve a great deal, 20.4 percent; will improve a little, 38.4 percent; will stay about the same, 27.05 percent; will deteriorate a little, 9.3 percent; will deteriorate a great deal, 1.5 percent.

* Greater State Involvement in Economy Foreseen

90SM0049C Santiago EL MERCURIO in Spanish 17 Apr 90 pp 1B, 12B

[Text] 1. The Chilean economy seems to be overheated. That is, demand is growing more rapidly than supply. The consequence of a phenomenon of this kind is that imports are increasing more than proportionately to growth itself, and the prices of goods not traded abroad tend to rise more quickly.

2. Nevertheless, this phenomenon is not new. We went through periods of an overheated economy in previous years. In 1981 the expansion of demand, caused at the time by an increase in the supply of international credit, provided pressure for a major increase in imports and an excessive rise in internal prices (excessive, keeping in mind the fact that the rate of exchange was fixed in nominal terms).

Once again in 1984 we had a period of overexpansion of demand, which ended in a major deficit in the balance of payments on current account and a sharp episode of inflation. Finally, during the first quarter of 1987 the Chilean economy again experienced a process of rapid growth, which forced the authorities at the time to undertake a "miniadjustment."

3. The remedies to be followed so that the processes of macroeconomic adjustments will have positive results are more or less known. Increasing the interest rate to contain private spending, devaluing the currency in such a way as to reduce the purchasing power of domestic economic forces, both by individuals and by companies, increasing taxes to hold down private spending, and reducing or containing public spending to work with the process of reduction of domestic spending.

4. The choice of a group of specific implements to be used to attack a particular episode of overheating depends on at least two things: the particular perception by the authorities as to which element of spending is growing too fast and the most effective variable to reduce it, as well as the economic agent or group of agents intended to persuade people or groups of people to reduce their expenditures. The latter question involves a choice in which longer term elements are important. This question involves the development strategy which is desired for the country and its economy.

If the object is to have a large and strong private sector and if private enterprise is to generate the majority of the jobs, independently of the state; if the people meet their economic and social needs independently, without depending on the state bureaucracy, then the choice will be made to reduce state expenditures. An effort will be made to control external credit in such a way that it will enter the economy through private enterprise. Whatever is possible will be done to avoid increasing the cost of credit insofar as it mainly affects producing companies.

Alternatively, if the objective is an economy in which the state plays a strong role, in which the government handles a substantial part of aggregate spending, in which the social welfare of the community depends on programs which public officials are capable of designing and implementing, in which employment is related to public activities or state purchasing, government expenditures will be maintained. The rate of interest will be increased. Taxes will be increased and an effort will be made to direct or orient the credit in the economy through state institutions.

5. The present macroeconomic situation in the country presents the alternatives described above. For its part the government has made a choice. This choice is not neutral in the sense of being the only or even the best choice for attacking the problem of excessive expenditure. In reality the government's choice involves a mixture of policies for the situation and a decision on long-term development strategy.

The present combination of policies—it should not be called this, as it contains only one element—for attacking the problem of economic overheating, added to the proposal to increase taxes on individuals, companies, and consumers, will have important effects on the relative participation of the public and private sectors in the economy. That is, on the development strategy for the country.

6. The increase in the interest rate has strong affected companies, increasing the cost of their working capital and the financing of their assets, as well as the sacrifice

associated with investment. In other words, it is a sign of a reduction in size of the private, productive sector.

In parallel fashion the government intends to reduce the possibilities open to companies to expand their operations by means of a major increase in taxes on undistributed profits. To that will be added the proposal to reduce personal expenditures by reducing disposible income—because it is increasing the tax on work and on income—and through increasing the cost of goods available to consumers—by increasing the VAT [value added tax].

Elsewhere, and simultaneously with what is described above, the public sector has given no sign of containing, or even less of reducing, state expenditure. Quite to the contrary, it is planning a major expansion of state expenditure. In accordance with what has been officially proposed by the economic authorities, during the second quarter of 1990 public investment and the current expenditures of the state will strongly increase. The latter will be financed with the resources collected from the increase in taxes.

7. It follows from all of the foregoing points that the "adjustment" which the economic authorities are asking of the private sector is to reduce its expenditures by several percentage points of Gross Domestic Product, solely to resolve the problem of overheating which is affecting the Chilean economy. Additionally, they intend to leave space for an increase in state expenditure, which the government has planned for the next few months. That is, a double adjustment is under way.

Thus, the private sector will have to reduce its expenditures by approximately 8 percent of Gross Domestic Product, whereas a reduction of about 5 percent would be needed to resolve the problem of economic overheating. The state wishes to reduce the rate of growth from 10 to 5 percent (this figure is conservative, because the relevant point is domestic expenditure, which has been expanded by more than 10 percent) and by another 3 percent of Gross Domestic Product to allow for the increase in the size of the state. This is approximately what the government plans to collect with the tax increase.

8. A summary review of the magnitudes involved leads to the conclusion that "adjustments" in expenditures of this size are, in reality, a change in the strategy of development: less private activity and a greater role for the state.

Correction of Defense Minister's Denial

PY0206222490

The following correction pertains to the item headlined "Rojas Denies Government Plan To Remove Pinochet," published in the 4 June Latin America DAILY REPORT, page 31:

Column one, paragraph one, sentence two make read: ...denied that the Coalition of Parties for Democracy, which... (correcting organizational name)

Colombia

Cesar Gaviria on Need for Constitutional Reform

PM0506153490 Madrid ABC in Spanish 29 May 90 p 36

[Interview with President-elect Cesar Gaviria by Mauricio Hernandez in Bogota; date not given]

[Excerpts] Bogota—[passage omitted] [Hernandez] Does Colombia need a constituent assembly?

[Gaviria] Yes, Colombia needs a major reform of its Constitution. This country has experienced a rather slow political change, has grown a very great deal, has new conditions and problems, and crime is increasing. There are many difficulties and the institutions have changed very slowly.

Colombians realize this. You might think that another society, faced with so much violence, would seek authoritarian solutions, messianic figures, for instance. However, our people's response is to demand political reforms and to support them, because the desire for a constituent assembly is, rather than a desire for rapid political change, a desire for a reformist attitude in the country.

[Hernandez] Is Colombia bound hand and foot by the 1986 Constitution in tackling the present situation?

[Gaviria] Yes, because procedures to change the Constitution have also been rather slow and there are many stumbling blocks to be overcome. For instance, two constitutional reforms were fully approved but invalidated by the Supreme Court of Justice, which cited procedural matters. This problem has to do with Colombia's tradition, which is what makes political change so slow. It is not only because of the complex procedures of the Congress—which are very protracted—but because of the commitment and effort required of the government. There are many obstacles in the Court. [passage omitted]

[Hernandez] There are four guerrilla groups in Colombia fighting against the state. Their terrorist attacks have claimed many lives. Could the guerrillas engage in sincere negotiations?

[Gaviria] We have proposed maintaining an attitude of tolerance and dialogue with the Colombian guerrillas. Recently M-19 returned to civilian life and took part in the election campaign.

As long as there is a willingness to relinquish the armed struggle and set violence aside, our government will pursue a policy of tolerance and forgiveness and will provide every guarantee for these groups to rejoin civilian life.

[Hernandez] What will your government's position be on the involvement of foreign troops in Colombia?

[Gaviria] Colombian society considers it undesirable and unnecessary to have foreign troops on its territory, especially in order to resolve the drug trafficking problem. This is a struggle that we can wage with our own institutions, with our own Armed Forces and police, and this is not the kind of help that Colombia is requesting or needs. I believe it would be inadvisable.

Authorities Comment on Zapatosa Fire, Damage

PA0506194390 Bogota Radio Cadena Nacional in Spanish 1200 GMT 5 Jun 90

[Text] Valledupar—The authorities and fishermen today reported that a fire of large proportions is destroying the Zapatosa swampland. The situation is reportedly very dramatic. The Zapatosa swampland was initially affected by an attack of the Camilist Union Army of National Liberation, ELN, against the Cano-Limon-Covenas Oil Pipeline. Thousands of barrels of oil were spilled into the swampland and surrounding areas.

After the criminal attack, Colombian Petroleum Enterprise, ECOPETROL, began a clean-up operation using solvents to try to counter the effects of the oil spill in the swampland.

Fishermen have been adversely affected by the serious ecological damage of the swampland. About 2,000 fishermen and several peasants were affected by the ELN attack because they are unable to return to their normal activities.

The oil that is being picked up from the swampland is being used to improve the roads of Del Cesar Department. The situation has now turned dramatic because a raging fire that is scorching through the swampland has just broke out. Brigades of fishermen, peasants, Civil Defense and Red Cross volunteers, police, and ECOPETROL are working intensely to put down the fire that is threatening to extend to other areas of the Zapatosa swampland.

Police: Terrorists Planned for Election Day

PA0306150190 Mexico City NOTIMEX in Spanish 1544 GMT 30 May 90

[Text] Bogota, 30 May (NOTIMEX)—Terrorists captured in this capital city had planned five very important attacks, one of which would have been against Cesar Gaviria Trujillo, president-elect of Colombia.

According to the National Police, the six terrorists who were captured on 26 May in a house in the northern sector of Bogota, had planned to place car bombs at the Feria Exposition and at the Administrative Department of Security (DAS) offices on election day.

More than a ton of Ecuadoran dynamite was seized from the terrorists who, according to EL ESPECTADOR, would get over 3 million pesos (about $6,000) for each attack.

National Police reports state that if the attack on the Feria Exposition in northwestern Bogota had been carried out, the number of victims would have been terrifying, since the largest voting table in Bogota was located there.

According to the DAS, Emilio Munoz Mosquera, former deputy chief technician in the Colombian Air Force (FAC), was the leader of the band of terrorists and was responsible for planting the car bombs set off in different parts of Bogota last week.

However, official sources quoted by EL ESPECTADOR said that despite the fact that Munoz Mosquera worked at a FAC spare parts warehouse, he had no access to the presidential airplane, where he allegedly planned to plant an explosive device.

The band, which allegedly worked for "narcoterrorism," was responsible for the five car bombs that caused heavy material damage and resulted in approximately 10 wounded, but no fatalities.

18 Injured in Grenade Explosion at Discotheque

PA0506025490 Hamburg DPA in Spanish 2009 GMT 4 Jun 90

[Text] Bogota, 4 Jun (DPA)—Colombian authorities reported today that 18 people were injured, including two military members, when a grenade thrown by suspected guerrillas exploded inside a discotheque in Puerto Rico, a Colombian town.

According to initial reports, the incident occurred last night when a group of soldiers entered a discotheque for a routine inspection. However, they were surprised by the rebels who threw the grenade in order to flee the place.

Authorized spokesmen noted that the guerrillas, apparently members of the Revolutionary Armed Forces of Colombia (FARC), are being sought by the authorities of Puerto Rico, a town in Meta Department located 210 km southeast of Bogota.

Army Searches for ELN Group Said To Kidnap 4

PA0506194490 Bogota Radio Cadena Nacional in Spanish 1200 GMT 5 Jun 90

[Text] Valledupar—Military and National Police patrols are carrying out intense military operations in the mountainous region of Del Cesar Department searching for an ELN [National Liberation Army] guerrilla column that stole 80 boxes of dynamite and fuse and kidnapped four citizens.

An Army spokesperson reported that alleged members of the ELN Jose Martinez Quiroz Front entered La Victoria

coal mine, run by the Carbo Andes Company, in La Jagua de Ibirico. The rebels seized 80 boxes of dynamite and 1,750 meters of fuse.

In addition, the guerrillas kidnapped engineer Ruben Gutierrez, technician Javier Lagos, and two mine workers. The rebels later fled with the explosives and their hostages into the mountainous region of La Jagua de Ibirico.

Army and National Police patrols continue to sweep the area to track the rebels without positive results.

Coverage of EPL, ELN, FARC Clashes

PA0406041590

[Editorial Report] Bogota Inravision Television Cadena 1 in Spanish at 1730 GMT on 31 May reports that Army antiguerrilla troops have killed two EPL [Popular Liberation Army] and ELN [Army of National Liberation] guerrillas during armed clashes in Sierra Alta, Cordoba Department and La Cruz municipality, Narino Department. The report adds that the authorities also confiscated war material, uniforms, field equipment, and information from the guerrillas.

Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 2 June reports that a soldier and a guerrilla have been killed during a clash between a 13th Brigade Army patrol and a FARC [Revolutionary Armed Forces of Colombia] column in a rural area of Rio Negro, Cundinamarca Department. Also, a 13th Brigade spokesman has said that at a place known as Puerto Leticia, the guerrillas ambushed a military patrol, killing soldier Antonio Hernandez Acero. One FARC guerrilla was also killed.

Several Murders Reported in Antioquia Department

PA0406121590 Bogota Radio Cadena Nacional in Spanish 1200 GMT 3 Jun 90

[Text] Medellin—According to the authorities, two policemen were killed on 2 June in this capital by two hired assasins.

The first incident took place at an ice cream parlor in the Aranjuez Neighborhood, eastern Medellin, when several individuals killed policeman Wilfredo Gutierrez, taking his weapon and pay. In the same area, soldier Alirio Aroboleda was shot in the back of the neck. The soldier was on leave from the LLariqui Battalion.

Meanwhile, in Currulao Corregimiento, Turbo, several assasins killed policeman Emilio Quiros Velasquez, who was on his way home.

Police spokesmen of Antioquia Department have noted that with these murders, about 400 policemen have been killed in this area of the country so far this year.

Antioquia Police authorities have also reported finding the bullet-riddled bodies of three men and a woman, who ranged in age from 20 to 30 years. The bodies, found in the Moravia trash dump in Medellin, have not yet been identified.

* Events Surrounding Jaramillo's Murder Described

* Gacha Command Claims Murder

90SM0046A Bogota SEMANA in Spanish 27 Mar 90 pp 25-28

[Excerpts] What happened on Thursday of last week seemed like the repetition of a well-known story: all that was different was the names of the protagonists. A man, in this case Patriotic Union (UP) presidential candidate Bernardo Jaramillo, entered the passenger terminal of the Bogota Airport shortly before 0800 hours. A couple of hired killers were waiting for him there with machine guns. One of them, identified hours later as Andres Arturo Gutierrez, only 17 years old, fired on him in the middle of the airport lobby, wounding him in the neck, thorax, and abdomen. Jaramillo's wife threw herself on her husband's bleeding body as the shooting continued several minutes more. Gutierrez was wounded in the gunfire, while his companion escaped. Jaramillo was rushed to the police clinic on Avenida Eldorado, and 2 hours later came the fateful announcement: Jaramillo was dead.

But for the government, the matter was more complicated than usual this time: 48 hours prior to the crime, Minister of Government Carlos Lemos had gotten into a bitter argument with Jaramillo. Lemos had started it when he said that there was a clear link between the UP and the Revolutionary Armed Forces of Colombia (FARC). Jaramillo and the president of the UP, Diego Montana Cuellar (who a week earlier had forcefully condemned a FARC attack on a military convoy) denied the charge and requested that the Office of the Attorney General of the Nation launch an investigation into the minister. This was Jaramillo's last political act before he died (see box).

Aside from the debate on the political responsibility that the government minister may have to bear, however, the nation, which had been enjoying a relative vacation from the war since the death of Gonzalo Rodriguez Gacha, El Mexicano, in early December, suddenly faced the immediate prospect of a new wave of violence.

In addition to the mixture of indignation and frustration that the nation felt, the week ended in an atmosphere of great confusion about who was responsible for the assassination. At first, everything seemed very clear. In a bag carried by the hired killer, officials found Thursday morning a false I.D. bearing the name of Jaime Alberto Restrepo Posada, a magazine in which a photograph of Jaramillo appeared, an air regulation manual from the Antioquia Aviation Academy, and a book by journalist Fabio Rincon on the life of El Mexicano. One page was marked, and on it was a picture of General Miguel Maza, director of the Administrative Department of Security (DAS). The hired killer's connection with Antioquia and

the photograph of Gen Maza were signs that the crime had been planned in Medellin.

This theory was bolstered that afternoon by a telephone call to a radio station in the capital of Antioquia, in which an anonymous voice claimed credit for the assassination on behalf of the Medellin Cartel. "The attack was carried out by the Gonzalo Rodriguez Gacha Command that we have in Bogota," said the voice, adding other details: that the Medellin Cartel had reorganized its military apparatus; that the next victim would be Liberal candidate Cesar Gaviria, the victim of an abortive assassination attempt on Tuesday of last week; that the Cartel had decided to resume the war because for 5 months it had "offered to negotiate with the government and the only response it got was having its leaders turned over to judicial authorities."

Gen Miguel Maza, director of the DAS, and Gen Oscar Botero, minister of defense, had confirmed that very morning, shortly after Jaramillo's death, that the Medellin Cartel was involved, and they directly blamed Pablo Escobar. They pointed out that the night before the assassination, a conversation between Escobar and one of his chief gunmen, nicknamed "El Zarco," had been taped. In that conversation (see box), they spoke clearly about an assassination attempt planned for Thursday. On the same recording there is mention, according to the authorities' interpretation, of the payment of 300,000 pesos to someone. This is the figure that the hired killer confessed he had received in advance of the operation. In the view of the two generals, the killer's place of origin, the way he had been hired and trained, and the amount that he had been paid, as well as the statement in the conversation that an assault was planned for the next day, allowed them to "establish with certainty" that the mastermind of the assassination was Pablo Escobar.

On Thursday, Colombians went to bed with the idea fixed in their minds that the terrorist war of Pablo Escobar's organization had been reactivated, and that a new offensive was coming, presumably a bloodier one than the one that began in August with the assassination of Luis Carlos Galan. Judging by the terms used by the anonymous caller to the Medellin radio station, this was going to be a war of *kamikazes*.

But on Friday a letter arrived from Pablo Escobar, bearing his finger print; the cartel leader has been in the habit of identifying his documents that way for some time. In that letter, he categorically denied that he had masterminded the crime, and he presented a long series of arguments to back up his position. The letter was addressed to the president of the UP, Diego Montana, whom he referred to as "Distinguished Sir." Escobar began by claiming to be "pained" by the crime and "shocked at how easily and quickly the government has found a culprit so that it can justify to the people the assassinations carried out by its official gunmen." He added that "I always loved, respected, and admired" Jaramillo. He said he had met with Jaramillo several times "to intercede with my friend Gonzalo Rodriguez Gacha so that he would respect his life...." Then he asked why he should want to kill someone like Jaramillo, who was opposed to extradition and defended the dialogue with the drug traffickers. In closing, he quoted a passage from an interview with the UP candidate that appeared in the magazine CROMOS last September, which suited him to a T: "Now everything is being blamed on Mr Pablo Escobar. He is going to be the scapegoat for all the evil things that have been done in the country these past few years. High-ranking government officials are involved with the paramilitary groups, and they must answer to the nation for the crimes they have committed."

In other words, there were three different positions on this matter: that of the alleged group of Fidel Castano followers who claimed credit for the crime, that of Escobar who denied it, and that of the Armed Forces who blamed Escobar.

Amid all the confusion, there were all kinds of rumors about who was behind the crime. As always happens in these cases, there was a lot of talk about a "deceitful" assassination. That is, someone did the deed so that another party would be blamed for it.

On the other hand, we must admit that on this occasion there is an element that would seem to point to the possibility that such a plot had been woven. It is a fact that, according to the version of the authorities, the gunman who killed Jaramillo had received from his contact with Escobar in the airport a bag whose contents definitely incriminated the Medellin Cartel. In the same bag that carried the machine gun for the hired killer, a man from the Cartel had included items such as a book on the life of El Mexicano, in which, moreover, the page with a picture of Gen Maza, the Cartel's number-one enemy, was marked. This was too much not to raise suspicion, as it practically amounted to a signature claiming credit for the assassination on behalf of Escobar's organization. That is not to say that people do not sometimes claim credit for these crimes in their own names in Colombia. But if Escobar had wanted to claim credit on Thursday, it would not make sense for him to come out first thing on Friday to deny so emphatically that he had had anything to do with the crime.

Who, Then?

But if Escobar was to be believed, who, then, could be fingered as the mastermind of the crime? As commonly occurs in these cases, an alphabet soup of theories flooded in: It must have been the FARC, because the following week Jaramillo was to release a statement condemning the armed struggle; it was the Army of National Liberation (ELN), for the same reason; it was the Gringos, because Colombia was slacking off in the battle against the Cartel; it was the Army, fed up with attacks from the FARC, or in an effort to abort a possible dialogue with the drug traffickers, etc. However, accepting any of these theories meant resorting to the

crystal ball, because aside from various interpretations, nothing else pointed to them.

But getting back to the contradictory statements made by Maza, Escobar, and the alleged representative of Castano, who is telling the truth?

Curiously enough, the one who has been given the most credibility is Pablo Escobar. Even the daily EL TIEMPO acknowledged the "logical reasoning" in his argument. What those who believe it was not Escobar are forgetting, however, is that the person who claimed credit for the attack in an anonymous phone call to a radio station did not say it was Escobar (see transcript). What he said is that the organization of Rodriguez Gacha had been inherited by Castano, who was now in charge.

Pablo Escobar, for his part, did not say in his letter that it was not Castano. He simply stated that he had nothing to do with the paramilitary groups, that they were not of the right wing, and that the communique "in the name of the Medellin Cartel" was false. This could be interpreted to mean that Castano's group of paramilitaries, who claimed credit for the crime, cannot claim to be spokesmen for the Cartel. The transcript of the anonymous call gives the impression that no one was supplanting anyone. The only doubt in this regard is that the person talks about turning over laboratories and weapons and about the release of the son of the secretary general of the Presidency, German Montoya, when these matters were Escobar's exclusive responsibility. But this can be explained by the fact that Fidel Castano, Henry Perez, and company are also associated with drug trafficking, and the success or failure of the so-called "surrender process" also affects them.

The fact is that Castano's paramilitary group has been waging a declared war for a long time against anything that smacks of the left in Uraba and other regions of the country. This man, who authorities say began his bloody career with the 1984 Remedios massacre, comes from a background that explains his visceral anticommunism: His father was kidnapped early in the last decade by the FARC; the family paid the ransom and the body was returned to them. From then on, Castano swore he would avenge his father's death. When El Mexicano began to build the paramilitary organization at the national level, he made Castano one of his key men so that he could extend his tentacles from the Magdalena Medio to other regions, primarily Cordoba and the Antioquian Uraba. Thus, it is logical that he would have inherited what is left of Rodriguez Gacha's organization and concentrated his efforts not so much on defending drug trafficking interests—an activity from which he has apparently severed his ties—as on promoting his anticommunist crusade, particularly in the area of Uraba and Cordoba. More political assassinations have taken place in that region in the last few months than in recent years. Along these lines, Bernardo Jaramillo represented for that organization a significant target, because the UP presidential candidate gained his political experience in that region, advising the banana workers' unions.

A few additional questions arise, then. What is the true relationship between Escobar and Castano? Could the latter act without authorization from the former? According to the authorities, this would be nearly impossible. They believe that the Medellin Cartel has two armed wings: the urban one, which comprises the hired assassins of the Antioquian capital, and the rural one, which is the paramilitary groups. Castano belongs to the latter. What would he be doing hiring gunmen in Medellin to bring to Bogota to kill Jaramillo without consulting Escobar, endangering any hope of negotiating the surrender process that Escobar has offered if he is allowed to be tried in Colombia? On the other hand, the Medellin Cartel is a single entity, and as far as anyone knows, Escobar is really in charge of it. Castano is a deputy of Escobar's, and it is well known that he will not tolerate any freelancing. These arguments, which the government cites in order to detract from the credibility of the assertions in Escobar's letter, are valid. But it should also be taken into consideration that, even though Escobar claims to have nothing to do with the paramilitary groups, it is a fact that Castano, who does have something to do with them, works for the Cartel and has liquidated a large number of leftist leaders and soldiers in Uraba. It may be that this war has nothing to do with Escobar, who says he is not a rightist; but it is certain that El Mexicano, and after him Castano, declared war on communism while they were working with Escobar. Rodriguez Gacha killed the first presidentical candidate of the UP, Jaime Pardo Leal, more on his own initiative than on Escobar's. It is therefore not impossible that his successor has done the same thing to Pardo Leal's successor. In any event, the fact remains that someone claimed credit for the assassination on Castano's behalf. Pablo Escobar came out to say that he had not been the culprit, but Castano, who could have done the same, did not.

As for the position of Gens Botero and Maza, who on Thursday stated categorically that Escobar was the mastermind of the Jaramillo assassination, the transcript of the taped conversation of the night before contains enough elements to support this interpretation. Escobar speaks of something that sounded dangerous enough to cause officials to wake Gen Maza at 0100 hours, 7 hours before the Jaramillo shooting, to alert him. Nevertheless, when it comes to assassination attempts, no one ever says anything very explicit in communications that could be heard through wire-tapping.

One error in interpretation that is clear is with regard to the 300,000 pesos paid to the gunman. One can read in the transcript that Escobar talks for 10 minutes about "300 pesitos," but reading it in context, it is obvious that it can't be 300,000 pesos. It is more likely 300 million pesos or 300 kg of cocaine. Either interpretation is possible. What is not possible is that a man who is said to have a $3 billion fortune is so concerned about $600, which is what 300,000 pesos amounts to. What all of this indicates is that it is possible no one is lying, and that it is just a matter of interpretations and shades of meaning applied to certain facts. [passage omitted]

The conclusion, then, is that the paramilitary organization did not disappear with the death of El Mexicano, and that whether or not it has been decimated, it has a new leader in the person of Fidel Castano, who has also reportedly become a "loose cannon" in the Medellin Cartel. This implies that the country, which had become accustomed to speaking of two enemies, the guerrillas and the drug traffickers with their paramilitary armed wings, must begin thinking in terms of three. The third one, of course, is Castano's group, which is at least as dangerous as the other two, if not more so. And if waging a war on two fronts was already quite difficult, waging it on three seems nearly impossible.

[Box, p 26] *Kamikaze* Gunmen?

It is an open question: How suicidal is the hired gunman? There has been much speculation about this issue. Some experts on the matter say that these young men are prepared to kill without regard for their own lives. Others say the gunman is a coward who easily loses control, especially when he is wounded. He will beg for mercy so that he won't die. For the time being, however, the only thing that is certain is that there are very contradictory elements in this theory.

The examples abound. Andres Arturo Gutierrez Maya, the hired killer who shot Bernardo Jaramillo Ossa, had hoped that once he fulfilled his mission, the rest of the plan would be carried out so that he could escape. But that hope for life that Andres Gutierrez harbored was a feeble flame in a hurricane. You don't need to know anything about criminal calculations or strategies to realize that no matter how young he is, a person facing 16 bodyguards armed to the teeth is, in all likelihood, going to be killed.

Therefore, it is undeniable that the average hired gunman realizes he may die when he agrees to carry out a suicidal operation such as the one that occurred last Thursday at the Bogota air terminal. And there are some indications that hired killers have, if not the suicidal tendencies that generally arise out of depression or fanaticism, at least a subliminal death wish. And not just for the death of their victims; for their own death. Dying is not just normal, it is desirable, as long as they die by their own rules. In other words, just as a bullfighter accepts the dignity of dying on the horns of a bull, a gunman accepts the dignity of dying during an operation. That happened at the Bogota air terminal when Jose Antequera was assassinated and Ernesto Samper Pizano gravely wounded. The images captured on video tape by the airport's closed-circuit television cameras at the moment of the shooting, which have never been shown to the public, show a horrifying scene when the gunman, after emptying his machine gun into the bodies of his victims, rather than running to safety, begins to dance, as if to celebrate a touchdown, alongside the bodies of the wounded. And amid this celebration, Antequera's and Samper's bodyguards cut him down.

That realism is also pathetic in the film "No-futuro" [No Future] by Victor Gaviria, a documentary on real-life hired killers. Here again we see a chilling scene: The pals of a dead boy file by his coffin, and one of them clearly says, "You're the greatest, man," and the next one in line says, "You died by your own rules." Interestingly, seven of the gunmen who appear in the film have already died. The last one, who also spoke with this magazine last month, was killed last week.

That is why there is no grieving at their wakes. Black has given way to fiery red. The deceased's friends stand before him and congratulate him for carrying out his mission. "He's where he belongs," they say.

And then there's the hired gunman who mourns the death of a bird, as was the case with Andres Gutierrez. His grandmother can't understand how her grandson could be capable of killing a person, when several days earlier he cried because he had killed a little turtledove with his pellet gun.

[Box, p 27] Unfortunate Coincidence

It all began with an interview with Minister of Government Carlos Lemos Simmonds, published on 16 and 17 March in the newspapers affiliated with the Colprensa national news agency. Lemos, referring to Colombia's current plight, said in the interview that "the country is already tired, and one indication of that tiredness is that in these elections it has voted against violence and defeated the political wing of the FARC, the Patriotic Union. They will be angry that I'm saying this, but they know it's true."

The minister's assertion, although it came in the middle of a lengthy interview in which he spoke about everything under the sun, could not have gone unnoticed. Especially when the following Tuesday, upon entering a meeting of the Council of Ministers in the Government Palace, Lemos did nothing to soften the tone of his remarks in the interview, and in fact reaffirmed what he had said, in front of the cameras of all the television news programs.

According to him, one clear indication of the ties between the Patriotic Union and the FARC was the fact that Braulio Herrera, elected to the Chamber of Deputies for the UP in 1986, allegedly after abandoning the guerrilla struggle of the FARC, left Congress to return to the mountains. But above all, he cited the fact that the Patriotic Union has not harshly condemned the armed struggle, especially after the terrorist escalation of the last few months.

As Lemos predicted in his Colprensa interview, the Patriotic Union did become angered. Its president, Diego Montana Cuellar, immediately sent a letter of complaint to the minister in which he accused him of displaying an openly hostile attitude toward his political movement. "You should know," wrote Montana, "that any statement of yours can cause many deaths, because

our enemies will obviously feel that they have protection." Bernardo Jaramillo Ossa was also quick to counter Lemos' assertions. In an interview on a television news program—the last he was to grant—not only did he call Lemos' statements slanderous and irresponsible, but he also said accusingly of the minister of government, in words that unfortunately turned out to be prophetic, "Just because he doesn't like the way we say things, that doesn't give him the right to sentence us to death with his statements, which is what he is doing."

The "unfortunate coincidence," as some interpreted the fact that Jaramillo was assassinated just hours after the dispute, threw the minister off balance. By the end of the week, all indications were that the final word on this matter had not yet been heard.

* Jaramillo Biography

90SM0046B Bogota SEMANA in Spanish
27 Mar 90 pp 32-33

[Text] "When I die, I want them to cremate me and scatter my ashes in a place where there are a lot of red carnations. And afterwards, I want them to sing two tangos for me over my remains. It is paradoxical, a total irony, but one of them inevitably has to be 'Volver' [return]." Bernardo Jaramillo Ossa said that 2 weeks after he was named to succeed the slain leader of the Patriotic Union, Jaime Pardo Leal.

He has always had an obsession with death. And maybe he knew for certain that he would not die of old age in bed, when he stood before the body of Pardo Leal in the huge hall of the National Capitol and expressed his conviction that his fate would be the same: "Some day they will kill me, too." And he died without fear. In love with life, with women, with the left, with red carnations, with the rumba and the tango, with Garfield the cat. But he also died without realizing a dream, the dream he had always had as a child: to live in a town in a warm climate with his wife and two children, where he could go out in the street, buy an ice cream and sit on a bench in the main park and feed the pigeons....

Bernardo Jaramillo was born on 2 September 1955 in Manizales. He began school at the Antonia Santos School there, but he finished grade school at the Santander de Manizales School, after having gone to every private school in town and been kicked out for disciplinary problems. He also received his "bachillerato" degree in his home town, at Central Tech. At the age of 16, in his last year of secondary school, he discovered that he had a way with words, that he was a good speaker and a natural leader. That charisma led him, in 1971, to found the National Union of Students (UNES).

Getting his feet wet like that in the public square inspired him to sign up for law school at the University of Caldas. While going to school, he continued to participate in the proselytizing that he had begun in the ranks of the Communist Youth (Juco), which he had joined as a dedicated Marxist and a sworn enemy of Leninist ideas.

He had not finished his law studies when he decided to go to Paris and study philosophy and literature. For 2 years he immersed himself in the world of prose, poetry, and the treatises of Kant. But one day he got bored and decided to trade his books for the sticky heat and mosquitos of Uraba. He came to this land, fraught with social conflicts, peasant massacres, and interminable strikes, and hung out his shingle as an attorney, advising the banana workers' unions.

When he resumed his political activity he got married. He was married three times, first to Ana Lucia Zapata, with whom he had two children, Paula Tatiana and Bernardo. Then he married attorney Alba Lucia Lopez, former mayor of Apartado. He had to leave the Uraba region with her because of the constant threats from paramilitary groups. His third marriage was to Mariela Barragan of Barranquilla.

There, once again, he was bitten by the political bug. In 1982 he left behind the courts and litigation to hold his first political office. He was elected to the Apartado City Council, then he served as spokesman, and finally he was elected deputy to the Assembly of Antioquia. He spent 8 years in politics, always defending the ideas of the left, always talking about peace. He learned to distinguish between word and deed, between clarity and forcefulness. During that period of political turmoil in the Antioquian Uraba region, he attended a lecture by Jaime Pardo Leal. He was captivated by the ideas of the political leader, who later was to become his best friend and adviser. He spent many a night partying with Pardo Leal, when they talked about the country, the stagnation of the Colombian left, perestroyka, and, as he said, sat around shooting the bull about everything under the sun.

He was still a political novice when he came to the Chamber of Representatives, but even then many political experts regarded him as a man destined to bring about the revival of the Colombian left, thanks to his equanimity and his ability to stir up controversies, to discuss ideas, and to sway opinion. Others considered him an immature politician, loquacious and foolish. And while opinion remained divided, flying bullets and the interminable war plaguing the country forced Bernardo Jaramillo Ossa to take the reins of the coltish Patriotic Union on 12 October 1987, when hired gunmen assassinated its leader Jaime Pardo Leal.

That marked the beginning of a new life for the young man from Manizales. He had to trade in his tennis shoes and jeans for a suit and tie. He also had to tone down his language and not allow people to "get his goat," as he put it. Otherwise, he would commit indiscretions like he did that time in the Chamber of Representatives, when a congressman tried to silence him during a debate and he responded that no one could make him be quiet: "I'll talk wherever I f——g well please..." he said.

As of 13 October 1987, he became president of the National Coordinating Committee of the UP [Patriotic Union], and at that very moment, as he said, he lost all of his independence and began depending on the security agencies. He may have been the most heavily guarded man in the country, even more than General Maza, and he was also the recipient of the most death threats. The threats from his enemies caused him to leave the country in March 1989, because death was close on his heels. "I will not return to the country until the conditions are right to guarantee my integrity," declared Jaramillo the day he boarded the plane that would take him to Paris. But 2 months later, he was back in Colombia.

This time he returned to run for president of the Republic on the Patriotic Union ticket. From then on, the risks mounted. He spent 6 months campaigning all over the country. And every time he went out he found messages saying he would be killed. He lived his life more intensely whenever he found out he had just escaped an assassination attempt. This happened to him, for example, on 13 February 1989, when the intelligence services thwarted an attack right in downtown Bogota. It also happened on 22 January of this year, when an anonymous phone call revealed a plan to kill him, also at Eldorado Airport.

But last Thursday, as he was heading for San Marta for a vacation, the amulets and talismans he wore around his neck to ward off death did him no good. He died without realizing another dream: to achieve the UP's independence from the Communist Party. And to attain peace for Colombia. He had said that if he had to give up his presidential candidacy to achieve that goal, he would not think twice about it. And Bernardo Jaramillo, the man who condemned all forms and varieties of violence in the country, would have done so. It was he who confronted the guerrilla leaders of the ELN [Army of National Liberation] for their bellicose actions. It was he who defended the legalization of drugs, who came out firmly against the extradition of Colombians for trial in the federal courts of the United States. It was he who defended the independence of the UP from the FARC [Revolutionary Armed Forces of Colombia]. Although his career as a national leader had just begun, it will be difficult for the left to find a standard-bearer with the tremendous personal charisma and widespread appeal that Bernardo Jaramillo had.

* Tapes Implicate Escobar

90SM0046C Bogota SEMANA in Spanish 27 Mar 90 pp 30-31

[Text] SEMANA presents the transcripts of a wiretapped conversation involving Pablo Escobar and of the telephone call claiming credit for the Jaramillo assassination, which are key pieces in the investigative puzzle.

This is the conversation taped by the Intelligence Services the night before the Jaramillo assassination, between Pablo Escobar and a man identified by the authorities as El Zarco, whom they consider one of the chief hired gunmen of the Medellin Cartel. The authorities related the content of this conversation to the imminent attack and the order to pay 300,000 pesos to the gunman.

[Pablo Escobar] What else is going on? How are things going?

[El Zarco] Everything is going fine. Everything you ordered done is going fine; we'll do it tomorrow. The thing is, I didn't like the number 37 man. Over.

[Pablo Escobar] Right, right. But don't do it yourself, because you're just on one job and that's all, got it?

[El Zarco] Yes, I have the people who're going to do the deed. I'm doing fine on the job, I already collected the bill. They'll pay me on Friday, everything's fine. I already have all the bills, over.

[Pablo Escobar] Right, right, a very important thing so that they'll put in the money man, your collaborator, the money man, you read me?

[El Zarco] Affirmative, affirmative, don't worry, by tomorrow everyone will start giving me the dough.

[Pablo Escobar] But they need to get going, you read me?

[El Zarco] Affirmative, over.

[Pablo Escobar] The Chinaman needs some dough, some dough, so, what're we going to do?

[El Zarco] Tomorrow they're going to give me the assistants. Tomorrow they'll give me four people, four people, so I'll give it to him tomorrow, I'll give it to him tomorrow, over.

[Pablo Escobar] Right, right, so contact him and tell him you'll give it to him tomorrow, and organize everything with the accounts and everything.

[El Zarco] Very good.

[Pablo Escobar] And did you collect the thing from the bet?

[El Zarco] Yes, sir. On Friday they'll give me the money, and I already know who has the 300 "pesitos" they're going to give you, the 300, over.

[Pablo Escobar] And the 300, how's that coming along?

[El Zarco] The man you told me about doesn't have the 300, the other man has them. Right now I have to let him know if you want them to throw away the ones that came, over.

[Pablo Escobar] They should give them to Armando, they should give them to Armando, because 2 months ago he told me he was going to throw them away and he hasn't thrown them away, so they'd better go to Armando, got it?

[El Zarco] He didn't have them, he didn't have them, the other man had them, the other man, the partner of the guy who gave them. So I will give the order that they give them to Armando, you read me?

[Pablo Escobar] Good, first ask him if they're on the way or why did he tell me 2 months ago he was going to throw them away? So ask the first one what happened, if he still has them. If he hasn't thrown them away, he should return them, you read me?

[El Zarco] Affirmative, affirmative, he told me he hasn't thrown them away because he doesn't have anywhere, but they're there. He has them in his hand, another man has it. I'll tell him to give it to Armando. They're here, they're here, over.

[Pablo Escobar] Right, they should give it to Armando. Get "Tivi" a beeper, get "Tivi" a beeper, and get a beeper for the money man. Everybody with beepers, because if I can't find one I can find the other, so that...so that the checks and everything will go OK, you read me?

[El Zarco] I read you, I already bought them, I already bought them. Tomorrow everybody'll have a beeper, tomorrow, tomorrow, over.

[Pablo Escobar] Right, right, so we need to get going, get a move on.

This is the conversation between the reporters of a radio station and the anonymous individual who claimed credit for the Jaramillo assassination on behalf of Fidel Castano, the putative heir to the El Mexicano organization.

[Question] Yes?

[Answer] Look, man, we left Jaramillo Ossa there so that they wouldn't keep coming to us with statements like the ones that he went to Matuta to say bad things about Fidel Castano and Henry Perez, in statements he made to people very close to him. That definitely cost him his life. Because the left that has been hitting our farms and our property, killing our cattle, killing our workers, we had to exact a price from Jaramillo Ossa, understand?

[Question] Who are you people?

[Answer] We are from Fidel Castano's group, Henry Perez' group, you know very well who we are, got it? And we publicly challenged Maza Marquez, or anyone, to keep looking for us in the Magdalena Medio or wherever, because they won't find us. Over the weekend, probably this weekend, we'll put out a communique. You guys in the media shouldn't be in doubt about the renewal of terrorist activities in Colombia by the Medellin Cartel.

[Question] Are you from the Medellin Cartel?

[Answer] Yes, sir. Don't you know who Fidel Castano is with? He's the one who replaced El Mexicano, if you want to know, man.

[Question] And what actions do you intend to carry out?

[Answer] You've already seen the first one, or don't you think that's enough?

[Question] Where are you?

[Answer] We are very well placed, brother, and we want you to tell the public that the next one to go will be Mr Cesar Gaviria Trujillo, got it? Galan's buddy, the one who supposedly took the torch from Galan, he'll be next, and the same thing that happened to Jaramillo Ossa will happen to him. He could have 100 bodyguards, man, but we want to tell Maza and those who are interested in the security agency that they should try to find a bullet-proof vest that goes all the way up to the head, because that's where we're going to get him, got it?

The day he came back to Colombia we missed him by a few tenths of a second, because the plan was all ready, but anyway he won't get away from us, man. After Cesar Gaviria we'll begin the terrorist attacks again against everything that has to do with the government or the left. Maza has good information that there are two English mercenaries. There aren't two, there are 15, if Maza wants to know, and we're very well prepared and we've put together an infrastructure again, both military and manpower, to confront the masochistic Barco government and the Colombian left, man.

[Question] Who was involved in the attack on Bernardo Jaramillo Ossa?

[Answer] The group of Gonzalo Rodriguez Gacha, alias El Mexicano, participated in the attack on Bernardo Jaramillo, don't you understand? It is the military wing that we have covered up here in Bogota to carry out the terrorist actions that we're going to begin as of tomorrow.

[Question] Who ordered the attack on Jaramillo?

[Answer] The attack? The Medellin Cartel, man, if you want to know, and that will come out soon in a communique. We'll announce it to the public.

[Question] When will you release the communique?

[Answer] It's under study, it's under study.

[Question] This morning one of the gunmen managed to get away....

[Answer] Not just one, there were three that escaped, man, three escaped.... Three escaped and they were paid handsomely, and they're in a safe place. Don't you worry about that. The guy who's in Kennedy Hospital, we tried to rescue him, but...they took prompt security measures at Kennedy Hospital, the F2, the DAS [Administrative Department of Security]. Our men were there, but we'll see what can be done as far as Restrepo goes.

[Question] Is Restrepo the one who's wounded?

[Answer] Yes, sir, Restrepo. He'll soon be in Medellin, he's the one from Gonzalo's group. At any rate, we don't care if they got him because in the communique, we'll

tell the public about the revival of the entire Medellin Cartel. Either they'll do away with us or we'll send this country to hell, man. But we're not going to keep on screwing around; we spent 4 or 5 months asking them to talk to us. We offered things, we gave them, we delivered. Lemos Simmonds, Barco, they kept coming out with arguments that were insulting to us. Us, surrender? Listen up, we'll surrender when we're dead. But before dying and surrendering, we will leave this country half what it was, we swear it, because we're not going to let the military operations come in every day. They say they got 10, 20 people, they say they seized cocaine laboratories, they say they've got us up against the wall. And we turned over German Montoya's son in good faith, but we won't make that tactical error again, understand?

[Question] Are you calling from Bogota or Medellin?

[Answer] Medellin.

[Question] Who are the leaders of the military operations of the Medellin Cartel?

[Answer] Henry Perez, Fidel Castano, and Carlos Alberto Gonzalez.

[Question] On what day will you release the communique telling about the activities, the actions you say you are going to carry out?

[Answer] It's under study.

[Question] So you no longer have any intention of entering a dialogue with the government to continue the surrender process that you had been discussing?

[Answer] We ask you: What dialogue? What response have we gotten? What dialogue, I ask you, you journalists, what dialogue?

We give them all kinds of stuff so that they can nab us and send us to the United States and put us in handcuffs and chains like they've done with innocent people like Henry Cuevas, Nelson Cuevas, the person they held there innocently, who already came back to Cartagena, and the way they held him, worse than a dog. So we're going to turn ourselves in to Barco so that he can deliver us up there? No, man, screw that. We were willing to do things in good faith, they didn't pay any attention to us, man, so we resumed our activities again.

[Question] You're not going to continue, you're not going to engage in more dialogue, surrender more weapons or laboratories, as you had announced?

[Answer] Man, we're waiting for a concrete response from the government to surrender more, to turn over weapons, to turn over more sophisticated laboratories, to abandon terrorism completely in Colombia. We never got a response from the government, only sweet talk, only bulishit where Mr Lemos would say: "Surrender"; where Barco would say: "Surrender." No, what surrender? We'll surrender, but dead. You journalists may go to view our bodies, but before viewing our bodies, you will view the bodies of major figures in this country, like Ossa's, like Jaramillo's today.

[Question] Are you Fidel Castano or Henry Perez?

[Answer] That's not important, man. At any rate, you know very well what we are going to do in Colombia soon. The government led us on, the government conned us, and it's too bad we surrendered the things we did, like the helicopter. But at any rate, soon we'll get not just one, but three or four for ourselves, and we'll see how they protect us, and we'll see how we do with the new weapons we got, the K-101 from Libya. We'll see how Gen Maza faces us with that weapon. That's the only thing we have to say to you journalists: Be ready for the K-101.

[Question] Who are the mercenaries you say are in Colombia?

[Answer] We have some from England, we have some from Libya, we have some from Syria, we have some from Germany, there are two from Peru, there are two from Spain.

[Question] Are they still here in Colombia, or where are they?

[Answer] They are still here.

[Question] They are still here?

[Answer] Yes, sir, they are here, and that's why we want to challenge Maza, to look for us where we're camouflaged. But he should go in person, he shouldn't send one, two, or three bullies, like Botero, like Gomez Padilla, when they said that El Mexicano was sunning himself on the beaches of Cartagena, supposedly to celebrate the attack on the DAS. We challenge them to come out and look for us in person, if they're man enough. We challenge them to go personally, we have a few surprises in store for them. You can rest assured. We assure you that if Jaramillo Ossa had lived, we would have blown up that hospital today. We assure you of that, because everything was completely planned.

* Escobar Behind Murder

90SM0046D Bogota SEMANA in Spanish 17 Apr 90 p 34

[Text] Once again the director of the DAS [Administrative Department of Security], General Miguel Alfredo Maza Marquez, has just scored a hit: the capture of Gustavo Adolfo Mesa Meneses, "El Zarco." He is accused, among other things, of the assassination of UP [Patriotic Union] candidate Bernardo Jaramillo. For some time, the DAS had been following a series of leads that suggested that the criminal had become one of Pablo Escobar's closest aides and had become the leader of the Medellin Cartel's organization of hired assassins.

El Zarco was caught in Medellin during a raid on the La Carolina building in the El Nogal-Laureles district just under 2 weeks ago. The DAS has reported that El Zarco

has a long criminal record. Authorities say that Mesa Meneses participated in the assassinations of Colonel Franklin Quintero Vargas, commander of the Antioquia Police (on the same day, 18 August, that Luis Carlos Galan was assassinated) and journalist Jorge Enrique Pulido (according to the DAS, El Zarco and his organization received 25 million pesos, of which 7 million went to him). He is also implicated in the murder of two officials of EL ESPECTADOR, Marta Luz Lopez and Miguel Arturo Soler, and of the mayor of Apartado, Diana Stella Cardona. As if that were not enough, he is also accused of being involved in the car bombing of EL ESPECTADOR on 2 September of last year, and of hiring Andres Arturo Gutierrez, the young man who shot Jaramillo.

It was some technical evidence that proved that this man was the one who, on the eve of the Jaramillo assassination, contacted Pablo Escobar on a mobile telephone. That conversation, according to Gen Maza, is part of the evidence that Pablo Escobar masterminded the attack.

Although many sources believed a communique signed by Pablo Escobar—with a fingerprint included—that denied his responsibility for the death of the UP leader, whom he called a friend of dialogue, Gen Maza announced publicly a few hours after the assassination that he had proof to the contrary. He also said that Escobar was waging a disinformation campaign.

And Maza knew why he was saying what he was saying. The night before, his agents in Medellin had called him to alert him to an operation that the Cartel had set in motion, and they advised him to bolster his protection system. Maza immediately realized that he might not be the only victim, but candidate Cesar Gaviria might also be in danger. He therefore called Gaviria to warn him not to go out the next day. Not 6 hours after the alert had been sent out from Medellin, the general and the country learned of the assassination of the UP candidate.

The DAS investigations have revealed that 200 million pesos was paid for the assassination, and that part of the money ended up in the hands of the family of the hired gunman Gutierrez. According to Gen Maza, his intelligence services have discovered that El Zarco's organization have devised a modus operandi that they cynically call the "suicide strike." This method consists of recruiting a young man under the age of 20 in the slums of Medellin and taking advantage of his poverty. They offer him "the little job," and they warn him that he will be risking his life in the operation. However, in exchange for that, as a "consolation prize," he is promised that his family will receive financial assistance. That was the system they used with Gutierrez, who is now in custody.

The information that the authorities have obtained in their investigation of Bernardo Jaramillo's assassination came not only from the confessions of the accused himself, but also from intelligence work carried out in various organizations of hired killers in Medellin, which the DAS says are embroiled in internecine warfare. Gen Maza considers the evidence quite significant, and as he told SEMANA, "of all the assassinations of public figures, Bernardo Jaramillo's seems to be the only one that has really been solved."

Peru

Mantilla on Shining Path Surrender Reports

PY0206191190 Lima Television Peruana in Spanish 0100 GMT 2 Jun 90

[Text] Interior Minister Agustin Mantilla has said that the government is willing to grant full guarantees to those citizens who abandon subversive activities. He has also said that the government will offer guarantees to all dissidents.

[Begin recording] [Unidentified reporter] Many people have defected from the ranks of the Shining Path. But these people want some guarantees. Is the government willing to provide them?

[Mantilla] Yes, of course. The government has said this repeatedly. There are also laws that establish reductions of sentences if there is repentance; the courts will take this into account when issuing a ruling.

As for guarantees, the Armed Forces, which are responsible for administrative affairs in these areas, have adopted the necessary measures to allow these people to return to normal civilian society and to live in peace.

[Reporter] Have a large number of people defected from the Shining Path?

[Mantilla] The number is increasing every day. This action is very important for Peruvian democracy because it is what the president announced a few months ago: the beginning of the end of this evil that our fatherland has faced.

This does not mean that terrorist activities have ended. It means that.... [changes thought] There are several factors, including 10 years of war and the confrontation with the security forces. These people have decided to leave the sort of life they chose to live and to return to the framework of democracy, national activities, and peace because they are disillusioned. This is why they have decided to live the life we all hope to live.

[Reporter] [words indistinct] security of the run-off elections.

[Mantilla] A few days ago I said that we have already successfully faced two challenges with the support of all citizens. I therefore believe that we will also be successful in these elections, which are a new challenge, because we will continue to do our best. [end recording]

President Promulgates 2 Laws Benefiting Workers

PY0406132790 Lima Television Peruana in Spanish 0100 GMT 3 Jun 90

[Excerpt] President Alan Garcia has promulgated two laws benefiting workers: one that eliminates service compensation ceilings, and another that authorizes federations to organize and negotiate their claims by sector on the national level.

According to Labor Minister Wilfredo Chau, these laws will benefit nearly eight million workers. [passage omitted]

Government Announces 34 Percent Salary Increase

PY0206183090 Lima Television Peruana in Spanish 0100 GMT 2 Jun 90

[Excerpts] Economy Minister Cesar Vasquez Bazan has announced that a 34 percent salary increase has been decreed and that this increase will become effective in June for all non-unionized workers. The economy minister also denied that the government will freeze deposits in savings accounts.

[Begin recording] [Vasquez Bazan, in progress] ...yesterday, published new regulations for savings deposits. This falls under the jurisdiction of the Bank Superintendency Office and not under the jurisdiction of the Economy Ministry.

This new regulation includes Article No. 8, which is labeled notices. This paragraph states that savings deposits cannot be withdrawn without submitting a 60-day written notice to be supplied by the Bank Superintendency Office. The Bank Superintendency Office may decide not to enforce the 60-day deadline, a common occurrence, but it is not empowered to disregard it altogether.

What happened is that after reading Article 8, Television Channel 2 thought that the government had decreed a freeze on savings deposits. But it overlooked the fact that savings deposit regulations in force until 31 June also included this measure. I have here a Banco Latino savings book which includes a copy of the savings deposit regulations. It includes an Article 8 that is exactly the same as the one in the new regulations. In other words, it is exactly the same measure. It is an old measure. The government has not frozen savings deposits. People can rest assured that bank transactions will be completely normal. [passage omitted]

[Unidentified reporter] Then there is no reason to worry?

[Vasquez Bazan] That is correct. I will say again that the Economy Ministry, the Bank Superintendency Office, the Central Bank, and the Banks Association will issue a communique today confirming this.

[Reporter] Price increases continue. Fuel prices went up today. Where does this money go?

[Vasquez Bazan] Yes, indeed. Fuel prices were increased today. [passage omitted]

[Reporter] Fuel prices go up; bus rates go up. What can workers do with their salaries? Does the government plan to increase salaries?

[Vasquez Bazan] Yes, the labor minister submitted a salary proposal to the Cabinet yesterday. This proposal is based on the inflation rate that is to be issued today by the INE [National Institute of Statistics]. I believe the inflation rate for this month is about 32.8 percent. Yesterday the cabinet approved this proposal in principle, and we can announce today that the government has decreed a 34 percent salary increase for minimum salaries and for nonunionized workers.

[Reporter] When will this salary increase come into force?

[Vasquez Bazan] It has been in force as of 1 June. [end recording]

12-Month Inflation Rate Close to 2000 Percent

PY0206173490 Madrid EFE in Spanish 0321 GMT 2 Jun 90

[Text] Lima, 1 Jun (EFE)—The National Institute of Statistics (INE) reported in Lima today that Peru's inflation rate totaled almost 2000 percent over the past 12 months.

INE noted that the inflation rate during the first five months of 1990 reached 309.9 percent and that over the past 12 months, between June 1989 and May 1990, the consumer price index stood at 1,968 percent. The INE pointed out that the May inflation rate was 32.8 percent, five points less than that of April, which had the year's highest rate.

In 1989 the inflation rate totaled 2,775 percent, the highest in Peruvian history.

Economic experts say that inflation, which is one of Peru's worst problems, has reportedly lowered the purchasing power of Peruvian salaries by 70 percent.

Vargas Llosa Says Poverty, Violence Main Issues

PY0106180690 Madrid EFE in Spanish 0901 GMT 1 Jun 90

[Text] Paris, 1 Jun (EFE)—Mario Vargas Llosa, author and candidate for Peruvian president, believes that poverty and violence are the problems he will have to solve as soon as possible if elected during 10 June's electoral runoff.

During an interview published today by the French Daily LIBERATION, Vargas Llosa, who as the Fredemo (Democratic Front) candidate during the 8 April elections obtained fewer votes than expected, said that "those two problems must be solved from the root."

He then said that "Peru must be modernized, but modernization does not only mean economic growth; we must moralize the country by eliminating all discrimination, unfairness, and abuse which are the causes of our underdevelopment."

When asked about a possible negotiation with the "Shining Path" guerrillas, Vargas Llosa said that only if the terrorists "show signs of willingness to engage in dialogue," and if they have "decided to return to political life and give up violence."

Vargas Llosa asserted that "I think democracy means reconciliation and negotiation" and added that if he is elected president, he will try to form a majority within the government "siding with groups with whom we share ideological points of view."

In this regard he stated that "there will be a need to be more pragmatic than ideological" and that he will try to solve the problem by using "all democratic tools."

In referring to the Peruvian foreign debt, which amounts to over $18 billion, he said that "a poor country such as ours cannot declare war on the international community" and that "we must negotiate and insist on our desire to honor our debts but at the same time show the tragic Peruvian reality."

Vargas Llosa said: "If we have a serious government, willing to carry out all the necessary reforms to make order where there is chaos; if the government promotes a system that may encourage investment and savings; if we decidedly adopt a market economy; I think our creditors will agree to a realistic negotiation."

Vargas Llosa believes that Peru needs "fair conditions" to be able to honor its debt "but, above all, to develop our country." He added that "circumstances" led him to become a politician and that it was not "a personal choice." He explained that "three years ago I opposed a draft bill drawn up by President Alan Garcia designed to unite the national financial system as a whole under state management" because it was "a very dangerous measure for democracy. Our initiative was successful because we managed to prevent that from happening."

The author said that this is when the idea of creating an alliance with democratic forces stemmed and "I deemed it my duty as a Peruvian citizen to accept a place as candidate for president."

In referring to his adversary, Alberto Fujimori, who appears as favorite in various polls, Vargas Llosas said that "nobody knows him, he is an enigma."

President To Be 'Officially Recognized' 30 June

PY0606152290 Lima Television Peruana in Spanish 1100 GMT 6 Jun 90

[Excerpts] National Election Board [JNE] President Carlos Castaneda Lafontaine has said that the next Peruvian president will be officially recognized on 30 June. [passage omitted]

[Begin recording] [Castaneda] The final details of this second round are very satisfactory because, in the first place, the electoral material has already been delivered to the post office. In the second place, we know that this material is already being received by all the addressees.

The aviation service, that is, the FAP, the Peruvian Air Force, is cooperating with us in the distribution of the material. At least 99 percent, if not 100 percent, of the material has already been delivered.

[Reporter] What is the schedule for voting next Sunday, 10 June?

[Castaneda] From 0800 to 1500, as established by the law. [passage omitted] [end recording]

Election Board Issues Rules on Computer Vote Count

PY0606033590 Lima EXPRESO in Spanish 2 Jun 90 p 4

[Text] The departmental electoral courts that have computer systems for the vote tally have been given 72 hours to hand in the accumulated results from the voting stations in their jurisdictions after the second round of voting on 10 June.

According to instructions from the National Election Board (JNE), the departmental electoral courts must immediately send the vote count records to the computerized vote counting center as soon as they receive the records, verify how many voting stations were open in each province, and verify if any ballot boxes or envelopes have have been opened.

Contested votes must be verified before the vote count records are processed. This must be done for the total amount of vote count records, including those requested from the Armed Forces.

Within a 72 hour period, the computerized vote tally centers will hand in the accumulated departmental results and the detailed voting lists of every voting station, ordered by provinces, districts, and number of voting stations.

The Fredemo [Democratic Front] and Change 90 political parties will assign a representative and a substitute to each departmental electoral court. These persons will have the right to receive a copy of the results and, if requested, the same information stored in diskettes bearing initials of JNE. This procedure will replace the reading of the vote tally from each voting station.

Within 48 hours of receiving the vote count information, the Fredemo and Change 90 parties may make complaints through the representatives accredited to the departmental electoral court so that this court may resolve all claims within 24 hours.

The computerized vote tally center will report the final departmental results 24 hours after the solution of any eventual claim. The departmental electoral court will

give each party participating in the second round of voting a copy of the final results.

The departments that will use computers are: Ancash, Arequipa, Ayacucho, Cajamarca, Cusco, Huanuco, Ica, Junin, La Libertad, Lambayeque, Loreto, Lima, Piura, Puno, and El Callao. The Departments of Apurimac, Moquegua, and Tacna have also been authorized to use the computerized tally system.

Reports on Regional Terrorist Battles, Murders

49 Terrorists Killed

PY0106134290 Buenos Aires DYN in Spanish 0134 GMT 1 Jun 90

[Text] Lima, 31 May (AFP)—People from the Ayacucho Andean zone told military authorities that a total of 49 Shining Path terrorists were killed last week in skirmishes with the security forces and peasant defense patrols there.

According to these sources, the confrontations took place between 21 and 23 May, last week, during a military dragnet operation in the villages of Huancaccpata, Calabazoyocc, and Huarcajan, in the province of Huanta, Ayacucho Department, on the border of Huancavelica Department.

The sources added that in Huancaccpata, security forces and peasant defense patrols freed eight peasants and a 70-year-old man held by the subversives and forced to work as cooks or to do other household chores.

In Lima, a bomb went off today, 31 May, on the third floor of the city council building, 30 meters away from Government House, and wounded one person who was apparently handling the bomb. The municipal workers were staging a demonstration at the same time.

An attempt to occupy the United Press International (UPI) office by three presumed Shining Path terrorists has also been reported. This occupation failed because a guard at the building where the UPI office is located called attention to the people by shouting and yelling, forcing the subversives to flee, UPI sources reported.

Luis de la Jara, supervisor of an enterprise that has an office in that building, reported that the three Shining Path terrorists entered the building by asking for the UPI offices, and that they attacked guard Marcos Araza. After seizing his weapon the terrorists tried to lock Araza inside a storeroom.

Araza started to shout and was struck by the terrorists, but the people began to gather at the place and the presumed terrorists had no other alternative but to escape, taking the weapon but without succeeding in their attempt to seize the UPI office located on the upper floors of the building.

Recent Violence Claims 60

PY0206220690 Madrid EFE in Spanish 0902 GMT 1 Jun 90

[Excerpts] Lima, 1 Jun (EFE) The newspaper EXPRESO today reported that the political violence that began in Peru 10 years ago has claimed the lives of 60 people in the past three days.

The source said that the civilian militias known as "Peasant Defense Patrols" from the townships of Pampas and Tayacaja killed 50 Shining Path terrorists after a 2-day search in he southern Andean Department of Ayacucho.

The killings occurred on 30-31 May, and according to the information, the "Peasant Defense Patrol members" are guided by "repentant" Shining Path terrorists who have decided to join the civilian militias after having surrendered in the past three months.

The militiamen, who carry some firearms, slings, clubs, and spears, received the Army's support to carry out this action.

The "Peasant Defense Patrol members" rescued three people who were kidnapped by the Shining Path terrorists to herd cattle stolen from peasant communities which provide food to the civilian militias.

A marine patrol killed an alleged guerrilla in Ayacucho after a clash with a Shining Path terrorist group in La Mar Province. [passage omitted]

The National Police have reported that on 31 May alleged terrorists killed six officials and two clergy in the townships of Tanfire, Condorcunca, and Pueblo Libre, Huancavelica Department, adjacent to the Ayacucho Department.

The police reported that this morning Tomas Irigoyen, administrative manager of the Metalmecanica company, was shot dead from a car in the Lima district of Ate. One of the murderers works for the company.

Alleged terrorists attacked a police patrol car in Lima last night. The vehicle was damaged but nobody was injured.

In Ica, 300 km south of Lima, alleged terrorists hurled explosives at the headquarters of the Libertad movement, a coalition party of the center-rightist Democratic Front, headed by presidential candidate Mario Vargas Llosa. [passage omitted]

Parties' Offices Attacked

PY0206210890 Buenos Aires TELAM in Spanish 1624 GMT 2 Jun 90

[Text] Lima, 2 Jun (TELAM-ANSA)—At least two people died and several were injured as a result of violent attacks carried out here last night by Shining Path terrorists against the facilities of the ruling American

Popular Revolutionary Alliance [APRA], the Democratic Front [Fredemo], and Change 90.

Radio Programas del Peru reported that in the attacks two people died, several were seriously injured, and there was major damage. The police have not yet confirmed the radio report on the number of fatalities.

The attacks occurred almost simultaneously shortly after 2200. A police armored vehicle was attacked with a military rocket in a crowded square in downtown Lima. A powerful bomb exploded at the main APRA office while delegates were holding an assembly.

Similar attacks were carried out against the headquarters of Change 90, headed by independent presidential candidate Alberto Fujimori, who will participate in the 10 June presidential elections along with author Mario Vargas Llosa, from the center-rightist Fredemo.

The most serious attack was perpetrated against the main office of the ruling APRA, at a moment when an assembly was being held under the leadership of Luis Alva Castro, the APRA secretary general and candidate in the 8 April presidential elections.

APRA Leader Murdered

PY0506225990 Madrid EFE in Spanish 2038 GMT 5 Jun 90

[Text] Lima, 5 Jun (EFE)—Juan Mendoza Espinosa, a secretary general of the governing American Popular Revolutionary Alliance (APRA), was murdered with a shot in the head by alleged members of the Shining Path terrorist group. Mendoza, 33, was murdered on 4 June in the city of Huancavelica, capital of the department of the same name, 440 km southeast of Lima. Huancavelica is under a state of emergency due to terrorist activities.

According to press reports disseminated in Lima today, Mendoza was the APRA secretary general in Huancavelica and a regional delegate.

The murder occurred in the street when Mendoza was returning with his family from a bullfight. An individual came up behind him and shot him in the neck while two others blocked his way.

The APRA leader was quickly taken to a hospital, but he was dead upon arrival. Mendoza was married and had three children.

Car Bomb in Lima

PY0606152690 Lima Television Peruana in Spanish 1100 GMT 6 Jun 90

[Text] A car bomb exploded last night on block No. 3 in the Lampa neighborhood behind the cathedral.

A woman of about 40 years of age was injured as a result of this cowardly action. The woman was admitted to the Loayza Hospital.

This terrorist action was synchronized with the destruction of three electrical towers, two in Huinco and one in Huachipa. The destruction caused two short blackouts in Lima and a voltage drop in the supply of electric power.

Venezuela

Protests Continue Over Fuel, Bus Fare Hikes

PA0206212990 Mexico City NOTIMEX in Spanish 1848 GMT 1 Jun 90

[Text] Caracas, 1 Jun (NOTIMEX)—Venezuelan Acting President Alejandro Izaguirre reported today that the situation in the country is "normal" and that the centers of student disturbances do not warrant taking drastic measures.

At the Miraflores Presidential Palace, Izaguirre told newsmen that the shifts in public order in the past few days "are not of a scope or importance that justifies the suspension of personal rights."

However, he also pointed out that the police action in the streets to prevent outbreaks of violence "will continue as long as necessary."

Interior Minister Izaguirre, who is acting president because President Carlos Andres Perez is on a tour of some countries, including Malaysia, Italy, and Spain, flatly denied that the price of gasoline, allegedly the cause of the disturbances, would be raised today.

He explained that the fuel price increases will go into effect when the transportation discount vouchers, created to ameliorate the effect of the price increase on lower-income people, have been distributed.

Izaguirre also denied that the students' fare subsidy would be eliminated. "The students have been misinformed," the official said.

In addition, groups of hooded persons who have been disturbing order in Los Teques on the Caracas periphery today took over the local hospital to avoid the police and demanded the removal of Police Commander Colonel Adelis Campos.

In view of rumors that the fare charged by privately owned buses traveling the route between Los Teques and Caracas would be raised, hooded students confronted the police last night. About 20 of them were injured and several were detained.

In addition, there were isolated demonstrations at the Central University of Venezuela and in about five secondary schools, where students burned tires. Several youths were arrested and then released, the police reported.

The protests over the fuel price and bus fare hikes spread to other places in the country. In Maracaibo, the leading oil center, Mayor Fernando Chumaceiro headed a march

during which the demonstrators set fire to a vehicle. Four persons were injured and several detained.

In Merida, on the Andes, there were demonstrations, several vehicles were set on fire, and demonstrators clashed with police. There were also isolated disorders in Barcelona, Maracay, and La Victoria. No one was killed, but dozens were detained.

Education Minister Gustavo Rossen warned that classes will be suspended in those areas where disturbances take place.

Government Spokesman Gives Sources for ASIN

PA0306152890 Mexico City NOTIMEX in Spanish 0453 GMT 31 May 90

[Text] Caracas, 30 May (NOTIMEX)—On 16 July a group of Latin American news agencies will begin to provide their service to the consumers of the Accion de Sistemas Informativos Nacionales (ASIN).

Venezuelan Government Spokesman Pastor Heydra said that the group's international desk will be formed by representatives of TELAM, the Argentine news agency; ANDINA, the Peruvian new agency; the Colombia Press; NOTIMEX, the Mexican news agency; VENEPRES, the Venezuelan news agency; JANA, the Jamaican news agency; and Cuba's PRENSA LATINA.

Heydra said that the editorial desk will receive the information from the news agencies that will offer their services to the group and will then forward it to the ASIN member countries.

ASIN is an intergovernmental organization created 11 years ago for the exchange information services among news agencies, government organizations, and members.

Guyana

Government Submites Bill on Election Observers

FL0406221890 Bridgetown CANA in English 2111 GMT 4 Jun 90

[Report by Courtney Gibson]

[Text] Georgetown, Guyana, June 4, CANA—The Guyana Government, under local and international pressure to ensure free and fair elections, on Monday tabled legislation which seeks to pave the way for overseas observers to monitor national elections here.

The "General Elections (observers) Bill 1990", standing in the name of Attorney-General and Minister of Legal Affairs Keith Massiah, was tabled in the National Assembly by Prime Minister Hamilton Green in Massiah's absence. It seeks to empower the president to invite persons from abroad to visit Guyana "for the purpose of observing the democratic process of the state as enshrined in the constitution, and more specifically, the conduct of any election".

The name of any person invited by the president, must be published in the official gazette and the person will be issued with an identity card by the chairman of the elections commission. The bill proposes that the observers may scrutinise the official list of electors, enter polling places and places appointed for the counting of votes. They may also seek information from the chairman of the elections commission, the chief election officer, and other election officers, all of whom will be required to co-operate with the observers and comply with "any reasonable request made by the observers in the performance of their functions". The bill seeks further to confer diplomatic privileges and immunities on the observers and stipulates a 5,000 dollar fine, together with an 18-month jail term, for anyone found guilty of any interference with such observers or of impersonating them.

The bill is seen here as a direct response to growing opposition demands for electoral reforms and for overseas observers to monitor elections here.

The bill provides for the president to consult with the chairman of the elections commission before inviting foreign observers but it makes no provision for similar consultations by the president with the minority leader or with opposition parties.

In recent months, there has been some speculation, based on remarks attributed to President Desmond Hoyte, that the government might be restricting the presence of officially invited foreign observers to those from within the 13-member, English-speaking Caribbean Community (Caricom).

The date for the elections are yet to be announced but they must be held by March next year.

Joint Services Training Exercise To Begin 6 Jun

FL0506200990 Bridgetown CANA in English 1906 GMT 5 Jun 90

[Text] Georgetown, Guyana, June 5, CANA—Guyana's joint services will mount a three-day, country-wide training exercise starting Wednesday, the official Guyana Public Communications Agency (GPCA) reported Monday. The agency gave no details about the nature of the training exercise but said it will be held June 6 to June 8 in the country's three counties of Essequibo, Demerara, and Berbice.

"All members of the public are requested to cooperate with the security forces in order to facilitate the efficient conduct of the training exercise," GPCA said.

The joint services, headed by the chief of staff of the Guyana Defence Force (GDF), is made up of the GDF, the Guyana police force, the Guyana People's Militia, the Guyana National Service, the Guyana Fire Service, and the Guyana Prison Service.

Suriname

Assembly Holds Closed-Door Meeting on Fighting

FL0106192090 Paramaribo International Service in English 1730 GMT 1 Jun 90

[Text] The assembly meeting behind closed doors on the recent situation in Suriname yesterday ended earlier than expected. During the meeting, President Ramsewak Shankar informed the assembly about the recent fightings in the Brokopondo area between the Jungle Commando and the break-away group.

Among other things, it was announced that the Suriname Aluminum Company, Suralco, is negotiating with the Jungle Commando to clear the bauxite town of Moengo of mines. Many coalition and opposition assembly members criticized the government's attitude on this question. The opposition assembly member, Frank Playfair, accused the government of shirking its responsibility for the safety of the people in Moengo. He further said that the government works together with the Jungle Commando.

The meeting was adjourned after a heated debate between Assembly Chairman Jaggernath Lachmon and Playfair. Immediately after the resumption of the assembly meeting, the session was abruptly closed by Assembly Chairman Lachmon, much to the annoyance of the majority of the members. The assembly members were dissatisfied with the fact that they were not given the opportunity to question the government on the situation in the country.

Jungle Commando Withdraws From Moengo

FL0506131090 Bonaire Trans World Radio in English 1130 GMT 5 Jun 90

[Text] In Suriname, Jungle Commando rebels occupying the town of Moengo have withdrawn to the outlying areas. Two days ago they removed the explosives from the town. It all comes as the result of an appeal made Saturday by the country's vice president, Henck Arron. On last week, the Jungle Commando rebels under Ronnie Brunswijk threatened to blow up Moengo if they were attacked by the army.

Pilots' Association Bans Flights to Brokopondo

FL0106194790 Paramaribo International Service in English 1730 GMT 1 Jun 90

[Text] The Association of Surinamese Pilots, (?PSP), has prohibited its members until further notice to fly into the interior. This was stated this morning to our newsroom by the chairman of the association, (Robbie Herrenfied). According to (Herrenfied), the Surinamese airspace is unsafe because of the recent shooting in the Brokopondo area.

As a result of the order by the association, the already planned food transport to the interior under the auspices of the Ministry of Social Affairs had to be canceled yesterday. The daily DE WARE TIJD reports in its edition today that Social Affairs Minister Willy Soemita tried to instruct Suriname Airways to fly to Moengo. According to the daily, the minister had promised Jungle Commando leader Ronnie Brunswijk that troops of the illegal armed group would be transported from Moengo to Stoelmans Eiland. The pilot's association, as well as other airline companies in the country, refuse to fly to Stoelmans Eiland. The Jungle Commando has its headquarters at Stoelmans Eiland in East Suriname.

According to the daily, Minister Soemita promised the rebel leader that he will do his utmost to find an airline company which will want to transport Brunswijk and his men.